

# **POST GLOBAL FINANCIAL CRISIS PROPERTY DEVELOPMENT**

**AN ASSESSMENT OF THE IMPACT OF THE POST GFC ENVIRONMENT ON DUTCH  
PROPERTY DEVELOPER'S BUSSINESS MODELS**

MASTER THESIS URBAN DEVELOPMENT MANAGEMENT



**GRADUATION REPORT**

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# PREFACE

This thesis is the conclusion to an incredible time at the Faculty of Architecture and the Built Environment, most of all at the department of Real Estate & Housing or 'Management in the Built Environment' after its recent rebranding. Having learned many things, both through education and many extracurricular activities, my time as a student at the TU Delft is coming to an end, the time of learning however has most likely not.

The choice for the topic of this thesis in the Urban Development Management Lab was easily made as to me it feels it is right at the heart of what Real Estate & Housing is all about. The fact that many actors and different interests find their way into urban areas is what makes urban area development intriguing. With the creation of an urban area, buildings and spaces are brought to life for many years and many users to come, requiring a broad range of consideration.

Under the conditions of the recent economic crisis urban development has been in recession. To deal with the contextual change many suggestions have been made on what could and should be different. In order to get more insight into the practices of urban development I chose to focus on the strategy of property developers as one of the central actors of area development. What has actually changed was the leading question throughout the writing of this report, a question on which I believe to have made a contribution towards answering in this thesis.

I would like to thank my graduation supervisors Erwin Heurkens and Ilir Nase for their valuable assistance, guidance and feedback on writing this report. The graduation process has brought much personal insight and interesting discussions.

Bob Bogers,  
Delft 2015

# EXECUTIVE SUMMARY

## ***Introduction***

The practice of property development has been precarious over the past 7 years. Because of the crisis on the global financial markets, capital availability has been severely reduced, damaging the ability of developers to acquire financing. At the same time the demand side of real estate has negative consequences for developers, as the will and/or ability of tenants or consumers to acquire property has been decreased. Aside from such financial consequences other changes are affecting property developers as well. Public parties are increasingly making way for private parties, sustainability is increasingly important, the population is aging and a migration towards cities can be identified.

Property development has been affected in recent years by such changes, of which perhaps the most powerful has been the financial crisis, which can be seen as a sort of catalyst, accelerating existing trends. As property developers are damaged in one of their core competencies, risk bearing investment, their role is affected. Under the acceptance that a new reality has come into existence property developers are adapting. Several authors have written about the potential future positions property developers could take and what kind of strategies will become increasingly relevant.

Yet more general information as to how property developers have actually been influenced by the property development context in recent years and how they have adapted to such a context is lacking. Developers might have taken on a position in a so called 'red-ocean', where competition is fierce for limited demand, or they could have attempted to find a so called 'blue-ocean', where they explore a new way of doing business where competition has not yet taken on a role. Suggestions are made in literature on what such 'blue-oceans' might be, information on the actual implementation of such strategies is incomplete however. Certain specific topics are discussed in detail, such as innovation or co-creation, however a more general overview could complement the understanding of contemporary property developers as well.

From a scientific perspective a better understanding of contemporary property developers implies a better understanding of one of its key actors. This could for instance lead to suggestions for further research or to explanations for certain observations. For practice particularly property developers could benefit from a better understanding of the implications of the financial crisis and other changes, they might better prepare themselves for a potential similar situation in the future, or create a better position based on the information of what competition is doing.

Business models can be used as a tool to describe the operational process of how a firm conducts business. This suggests that a business model is a usable tool for better understanding property developers. Several examples exist on the application of the concept in the field of real estate using existing models, no particular model exists for the real estate sector yet. This is not surprising as the concept has only started developing during the dotcom boom and is mainly applied in relation to e-business or start-up companies.

The gap in knowledge that seems to exist as to how property developers have adapted their business functioning to contemporary market conditions has been the main motivation for conducting this research. Based on this gap the main research question has been formulated.

***What contextual changes can be identified after the global financial crisis, what trends follow from these changes, have these trends influenced property developer's business models and if so what have the changes in business models been?***

## **Scope**

The focus of this thesis is on Dutch property developers and the research is performed from their perspective. In order to come to generalizable conclusions a large amount of responses is favorable. The scope of this research has been narrowed down into a specific part of the total population. Property developers exist in the micro, small and medium categories, according to the small- and medium enterprise categorization used in the EU. Because micro firms (employees <10, revenue <2.000.000,-) are different in the way they make decisions as well as because large differences exist within the group, this category of property development firms has been excluded. The remaining small and medium size firms represent the majority of realized development projects in the Netherlands. In total the amount of property developers within the scope of this thesis is n=217.

## **Methods**

*Literature study* - A literature study is performed on several topics. (1) First the existing work on property development in recent years is explored. Suggested new strategies from authors discussing property development in the years after the crisis are used to form a selection of 'blue-ocean' strategies that potentially have been implemented. (2) Furthermore an analysis is performed on the characteristics and changes that have taken place in the contemporary property development context. These changes are translated into a set of trends that define the period of research. (3) Finally an analysis is performed of business model literature and a model is created for the use of property developer analysis.

*Survey* - Surveys are an affordable and fast way to achieve a representative sample of a population. A self-completion questionnaire was created and sent to a total of 153 developers. In total 83 developers responded, which after selection based on the scope resulted in 53 usable responses. This sample represents 24% of the population. The primary questions of the survey consisted of a trend description, coupled with both a question asking to rate the influence on a 5 point Likert scale (no influence - very large influence) as well as an open text box in which developers were asked to describe the influence. Furthermore respondents were asked to rate the amount of change in certain business model components on a 5 point Likert scale (no change – very large change). Finally questions asking for general information for categorization, as well as a question on whether they believed trends to be missing.

*Semi-structured interviews* – A small series of 3 interviews was conducted during the process of data analysis. As the nature of social science is that meaning is attributed to an environment by people, it is valuable to be able to understand the perspective of the subjects of research. As the researcher was not involved in the practice of property development or for instance doing an internship, the inclusion of this method allowed for

more involvement and a better understanding of the population. Furthermore the results of the interviews could be used in support of data analysis.

## Results from theoretical research

Property and urban development are from a historical perspective strongly linked to economic conditions and public private relations, making the GFC a logical demarcation for a new distinguishable period of property development. This period of decreased financial means and changing markets can be referred to as **post GFC property development**.

Based on the analysis of the environment of post GFC property development in literature a selection of a trends are identified that form the context of this new period of development. This categorization of **9 trends** is shown in Table I.

Category	Trend
<b>Financial</b>	<i>It has become increasingly difficult to organize capital for Dutch property developers.</i>
<b>Office market</b>	<i>Economic conditions, as well as changing office concepts, such as ‘new ways of working’, have led to a smaller and changing demand for offices</i>
<b>Retail market</b>	<i>Changing consumer behavior and internet retail cause a lower and changing demand</i>
<b>Housing market</b>	<i>Although production has been low in recent years, smaller households and population growth still lead to demand for houses</i>
<b>Size and location of developments</b>	<i>Property development is shifting towards more complex urban areas, furthermore the scale of developments is decreasing</i>
<b>Supply to demand driven market</b>	<i>Property development is shifting from supply-driven to demand-driven development</i>
<b>Demographic</b>	<i>The population in the Netherlands is aging</i>
<b>Public-private roles</b>	<i>Public parties are increasingly withdrawing from development practices increasing the emphasis on private parties in Dutch property development</i>
<b>Sustainability</b>	<i>Sustainability is taking on an increasingly important role.</i>

Table I Trends of post GFC property development

From the analysis on business model literature the relation between business and business models can be defined as “A business model describes the rationale of how an organization creates, delivers and captures value.”(Osterwalder et al., 2010) A business model has a strong relation with strategy. Strategy is the intent or plan that a firm creates. This plan is then what defines the selection and characteristics of a business model. The business model describes the operational side of how a business functions, which is what makes the business model a suitable tool for the analysis of firms.

Based on the elements and characteristics that are described in literature, a model is created specifically for the analysis of property development firms. This **Developer Business Analysis Model**, or **DBAM**, is shown in Figure I. This model is used to analyze the changes that property developers indicate at the hand of trends of post GFC property development.

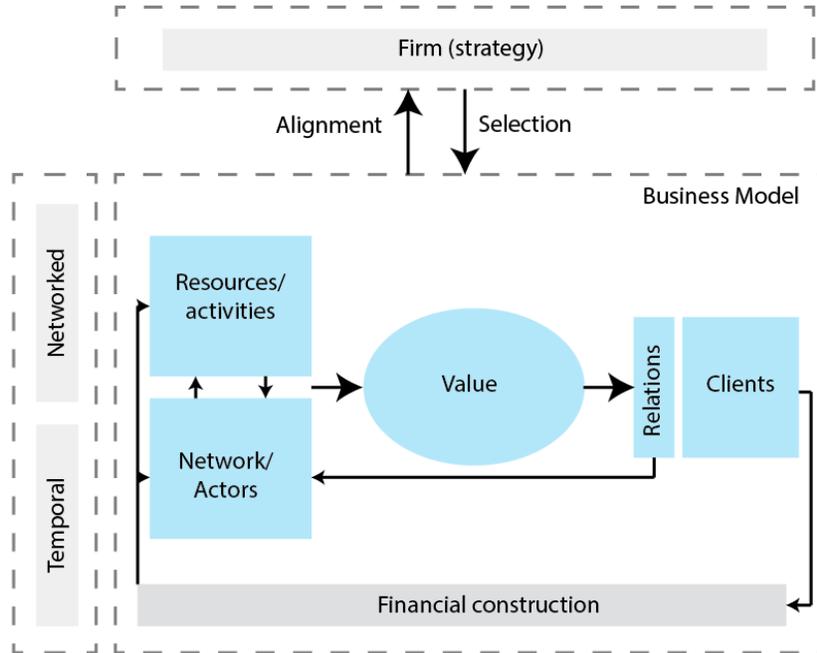


Figure I The Developer Business Analysis Model

### ***Results from empirical research***

The responses of the survey indicate a median response of either influence(7/9) or minor influence (2/9), see table II. This indicates that all trends are recognized by developers to be of influence on property development business models. The overall scoring ( $\mu=2.77$ ,  $SD=1.25$ ) highlights a broad spread of rated influence. When looking at the median scores per respondent these are for the majority in minor influence (20/53) or influence (22/53) with a slightly lower spread with an average standard deviation of 1.1. indicating a slightly smaller but still a considerable spread in scoring, also per developer. These findings imply a large amount of difference in scoring per trend, per developer.

The trends scores the highest are the *financial* ( $\mu=3.11$ ) trend and the *supply towards demand driven markets* ( $\mu=3.08$ ) trend. The market trends when only looking at the ratings of developers that are active in the relevant market the scoring is very high: housing market ( $\mu=3.54$ ), office market ( $\mu=3.38$ ) and retail market ( $\mu=3.39$ ).

When asked what developers considered to be the most important change in their business model most frequently mentioned was a changed financial construction (n=9), which can be linked to the financial trend and a client orientation (n=8) and an emphasis on market knowledge (n=4), which can be linked towards the supply to demand driven market. This supports the conclusion that the financial trends and the supply to demand driven market can be considered as most influential.

	No influence	Minor influence	influence	Large influence	Very large influence	Mean scoring	Standard deviation
<b>Financial</b>	10	10	7	16	10	3.11	1.42
<b>Office market</b>	19	9	10	9	6	2.51	1.42
<b>Retail market</b>	14	7	14	12	6	2.79	1.36
<b>Housing market</b>	9	9	13	16	6	3.02	1.28
<b>Size and location of developments</b>	9	12	16	15	1	2.75	1.11
<b>Supply to demand driven market</b>	6	14	9	18	6	3.08	1.22
<b>Demographic</b>	12	19	14	6	2	2.38	0.92
<b>Public-private roles</b>	14	12	11	15	1	2.57	1.24
<b>Sustainability</b>	4	18	18	13	0	2.75	1.08
<b>TOTAL</b>	<b>97</b>	<b>110</b>	<b>112</b>	<b>120</b>	<b>38</b>	<b>2.77</b>	<b>1.25</b>

Table II Trend influence scoring

**conclusions:**

- All trends have influenced the business models of property developers.
- The influence of trends heterogeneous amongst developers.
- From a general perspective the influence of the financial trend scored highest, closely followed by the supply to demand market trend.
- The office, retail and housing market trends, when selected from a specific perspective of developers active in the respective sector(s), report the highest scoring.

Aside from the Likert ratings, the responses from the open answers have been coded resulting in figure II. From these responses the following conclusions can be drawn

- Most developers indicate the *financial* trend to have negative impact while some report no influence
- The *office* and *retail* market trends mainly lead to developers decreasing their production, while the *housing* market trend is leading to developers attempting to increase production.
- A shift towards development in *urban areas* and towards *smaller projects* can be seen.
- Many developers recognize an increasing *private role*, some however consider the roles changing but the influence of public parties unchanged.
- Some developers considered themselves to already be *focused on demand* while other recognize the client as more important.
- Developers indicate that they follow legislation regarding *sustainability* or that it is of growing importance. Some developers indicate it has become an integral part of working.
- Most responses indicate the effects of an aging population are only *slowly developing*.

More in-depth results were gathered through analyzing specific sectors or typologies. Several conclusion came forward from this analysis.

- *Different core business developers* report the lowest influence from trends, this is likely because they are often working in support of the core business goals.

- Contractor related developers report the highest influence, this is likely because contractors are severely affected by economic downturn affecting their development branches as well.
- Financial institution related developers for a large part report no or limited influence from reduced capital availability.
- Housing developers report higher influence from changing public private roles, this is possibly because public private interaction mainly takes place in large scale projects involving housing.
- Developers not active in housing report more influence from sustainability, this is probably because of the benefits are more pronounced in other sectors in the form of PR or image.

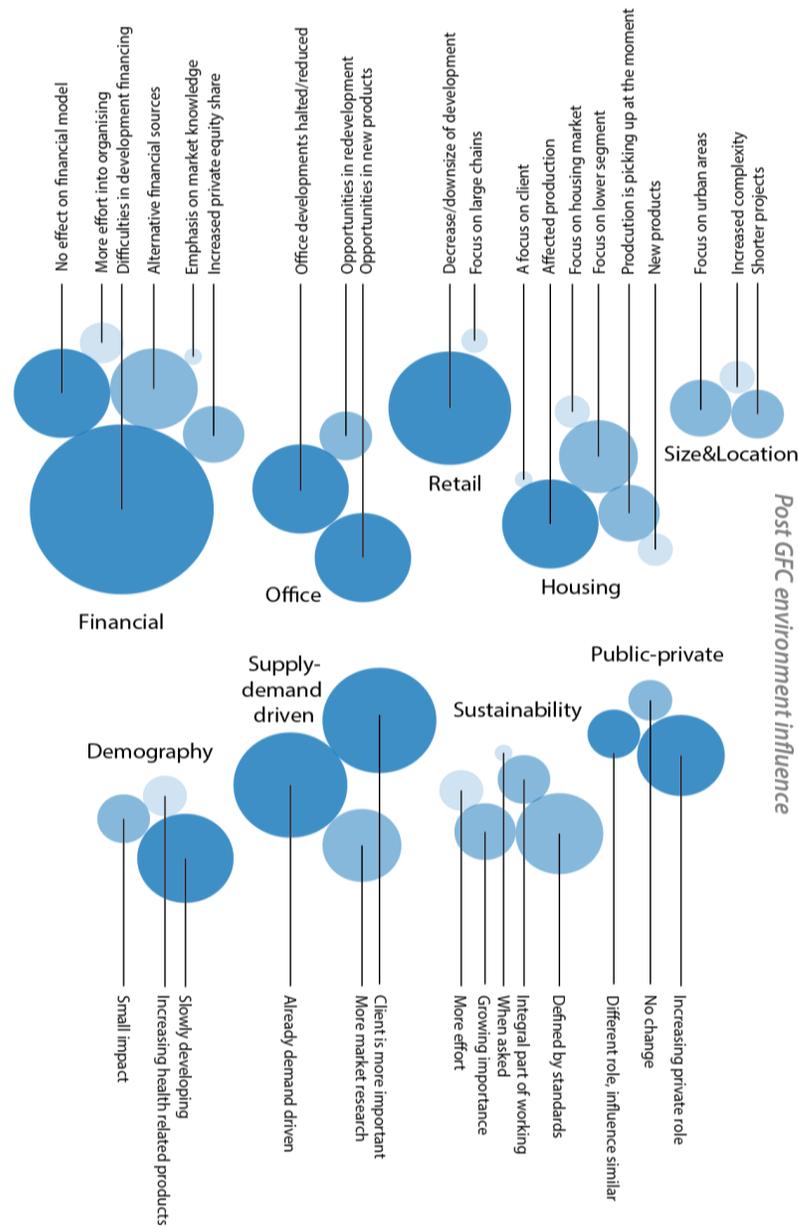


Figure II Post GFC environment influence

Respondents scored the amount of change they considered to have taken place on a 5 point likert scale in the different elements of the DBAM. Although differences exist within each respondents ratings, all aspects of the

business model changes, on average, were very similar. Respondents indicate on average that change ( $\mu=3.08$ ,  $SD=1.1$ ) has taken place with the lowest scoring trend being very close to the highest scoring trend ( $\mu=2.91$  and  $\mu=3.17$ ). This implies all aspects have changed, and in an almost equal amount, although large differences exist between respondents. The changes that were identified are projected on the DBAM in Figure III.

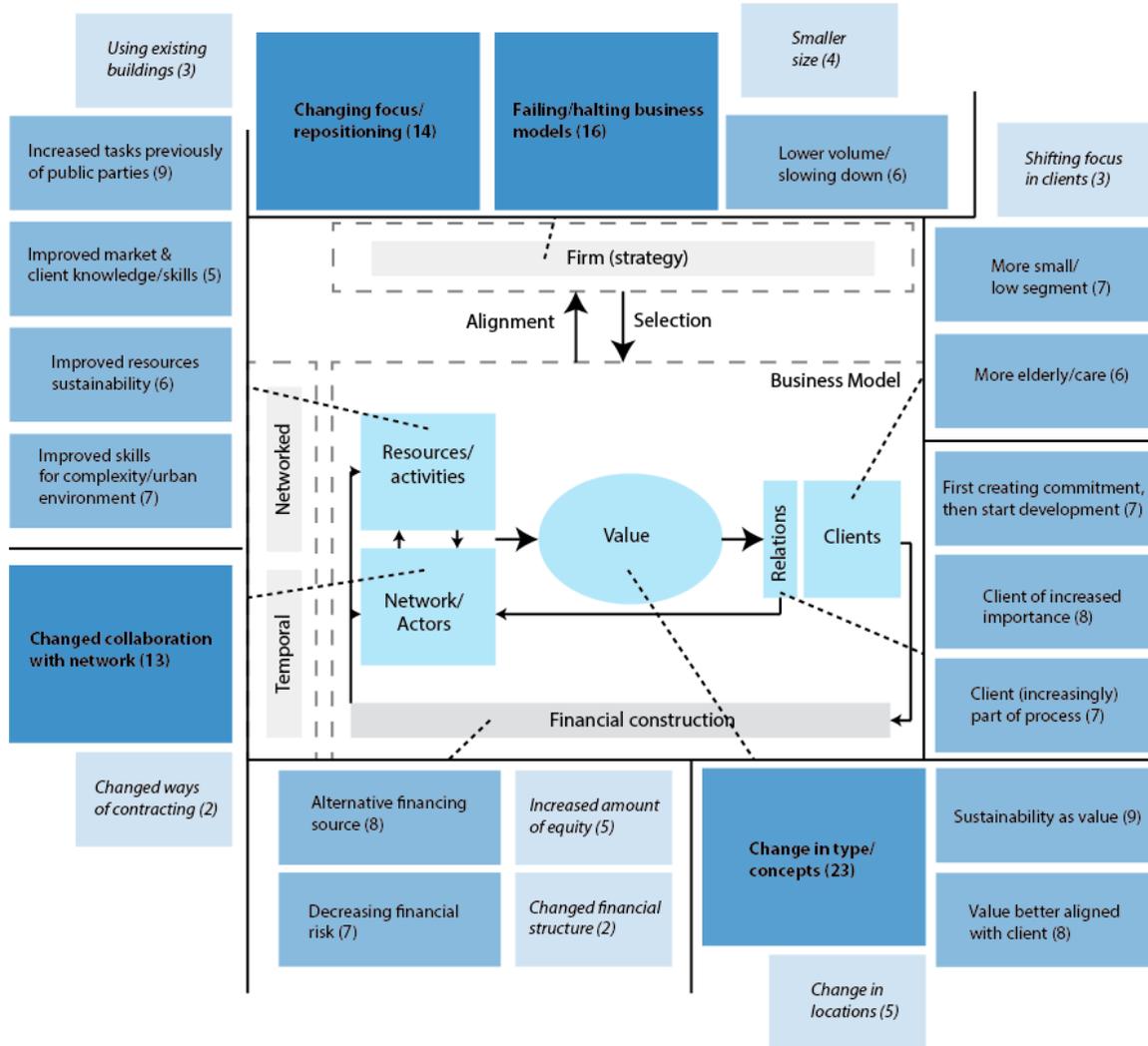


Figure III Changes in the DBAM

The following changes come forward within the business models of property developers:

- In resources/activities developers indicate improved capabilities for urban/complex environments, market and client knowledge and sustainability. Furthermore developers indicate to have increasingly taken over activities from public parties.
- In network/actors indicate that collaboration has changed. Under changed market circumstances developers need to reduce risks, which is likely the main motivation for intensifying collaboration.
- In value, the main change indicated is a change in type/concepts such as elderly homes, more flexible offices or renovations. The changes mentioned in this category can for a large part be seen as additions to existing

products. Furthermore developers indicate sustainability has become more included and that the value is more closely aligned with client demand.

- In relations developers indicate that they have increasingly involved clients and that they have become more important. Some developers indicate that they now first create commitment, then start development.
- In clients developers indicate they have created products for elderly and for a smaller/lower segment. These changes can be linked to the trends that the population is aging and that the household size is decreasing.
- In financial constructions developers indicate that they are using alternative sources of finance and have increased the amount of equity in projects. Furthermore they indicate they are reducing financial risks.

The following changes come forward regarding the implementation of business models:

- In strategy some developers indicate they are changing their focus or are repositioning themselves. Some developers indicate their business models are failing/halting but do not directly indicate related actions, which can be seen as a 'red-ocean' strategy. Finally some developers indicate they have decreased the amount a certain business model is employed through lower volume/delays or that they have decreased the scale of the models through smaller size.

## Conclusion

A concise answer to the main research question of this thesis is that a variety of contextual changes can be identified in the period after the Global Financial Crisis in the field of property development, this period can be referred to as **post GFC property development**. The changes can be categorized as **9 trends**, see Table I.

All of these trends have influenced the business models of property developers, of which the **financial** and **supply to demand driven market** report the largest influence. Furthermore the office, retail and housing market trends score very high when regarded from the perspective of developers active in their respective categories. The differences in reported influence between respondents are very large, indicating the **influence of trends** on business models is **very heterogeneous amongst developers**. The influences are visualized in Figure II.

These trends have caused a variety of changes in business models. In order to classify and identify these changes the DBAM, see Figure III, is used. Property developers report on average that there is **change in all components**, when looking at individual responses the differences are very large, indicating that the **amount of change** in business models because of trends is **very heterogeneous**.

These changes imply that property developers are indeed searching for 'blue-ocean' environments under the changed context of post GFC property development. From the changes suggested in literature a large amount was indeed indicated in the responses of property developers. For some other no indications were found.

The 'blue-ocean' strategies of which indications were found in this thesis:

- Strategies such as '**customer intimacy**', '**focus on market knowledge**' and '**customer oriented**' can be identified as many developers indicate to have made changes in their relations, as well as increased their market knowledge and skills.
- A '**focus on cashflows**' and '**competencies in organizing capital**' can also be identified under reducing financial risks, alternative financing sources and increased equity.
- '**A more prominent role of relations**', '**more focus on process management**' and '**forming alliances**' are all identified under changed collaboration with network.

- **'Product leadership'** and **'concept oriented'** strategies are mentioned under the changes of value better aligned with clients as well as under new concepts.
- **'Specific market focus'** seems to take place amongst the developers that are increasingly focusing on larger urban developments, or on smaller developments focused on buildings.
- **'Incremental/smaller development'** is also mentioned by developers that state projects have become shorter or smaller in size, indicating this strategy is indeed taking place.

For some 'blue-ocean' strategies no or limited indications were found:

- **'Long term focus on the full lifecycle'** was only mentioned once by a developer indicating to have included asset management in their portfolio.
- **'Fee-based property developers'** was only mention once in the responses
- **'Flexibility'** is mentioned in the form of products, however not in the sense that developers indicate to have made steps to be more flexible. Arguably the large amounts of staff that were dismissed lead to smaller companies which are arguably more flexible.
- **'Involving new actors'** was not mentioned in any of the responses

## **Validity**

The convention in social science is to use a confidence level of 95%, this percentage explains how often the population would select the answers within the confidence interval. The confidence interval is also known as the margin of error, which is often targeted to be around 5% . Unfortunately attaining a margin of error of 5% with a confidence level of 95% was not achieved in this study. In order to gain such a certainty in relation to the relatively small population of 217, a sample size of a 140 developers would be needed. Within the timeframe and resources of a thesis such an amount is not feasible.

This does not imply however that the findings in this research are not of value. A margin of error of around 12% will have to be taken into account regarding any quantitative findings of this research. Considering the very broad nature of this thesis and the goal of exploring the changes in property development, very strong quantitative statements are not essential in providing relevance.

The methods of this thesis combine the use of both a quantitative questions on the influence of trends, combined with qualitative questions in which it was asked to describe those changes, which aids in better understanding the meaning of the values that were generated. Furthermore the findings were reflected in interviews, which further improves this understanding. Further steps could be taken regarding improving the credibility and confirmability of findings. For instance documents or other data could be analyzed, providing an additional source of information. Property developer board members have in this research provided all input data, cross examining with other sources could validate or refute findings that were made.

Finally dependability is considered to be reasonable, all steps taken are well documented and all relevant information is available in the appendices. More dependability could however be achieved by having other researchers coding the responses of the survey. Potentially different findings would results from such a secondary coding.

## **Relevance**

### *Scientific relevance*

This thesis focuses on analyzing the general business functioning of property developers through their business functioning, improving the understanding of this actor in the scientific field. Property developers traditionally have a strong presence in the office and retail sector and have gained a more prominent role in the housing sector (Boelens & Visser, 2011), both in the years before and after the GFC their share of new production in housing has at all times been more than 50% (BPD, 2014). This highlights the relevance of understanding this stakeholder in the built environment of the Netherlands.

An advantage of the broad nature of this research is that many suggestions for further research can be derived from the results by selecting for instance a certain influence, change, typology or sector in any combination.

Furthermore the Developer Business Analysis Model contributes to the connection between the knowledge fields of property development and Business models. Business models are a tool for analysis as well as synthesis (Palo, 2014) and play an important role in the findings of this research. The added value of business modeling is becoming more evident as it is more often used in a value contributing way. The way the concept is used potentially shows the benefits of the methodology, and potential future use could lead to the further development of the both the fields of property or area development, as well as business modeling.

Further research is needed to make more solid statements on changes in property development. For instance the indicated changes could be reflected on all developers in the sample, to identify the percentages of the implementation of certain changes. This information would make the conclusions of the research more valuable in the scientific field, this thesis can form the basis for such a type of research.

### *Practical relevance*

With many projects halted, property developers that have gone bankrupt and employees that have lost their jobs the property development sector has been dealt a considerable blow. Just before 2008 there were many signals of the great future ahead for area development, which only a few years later has turned out incredibly different. The results of this thesis can be used by developers to better understand the consequences of contextual change in recent years. This improved understanding can be used to better prepare for potential future changes.

Furthermore property developers can use the findings of this research to better analyze their strategic position opposed to other developers. They can collect ideas for new strategies or business models and better understand the strategies and business models employed by the competition. This can lead to more easily finding 'blue-oceans' or better understanding a position in a 'red-ocean'.

### *Societal relevance*

Several problems exist within the built environment of the Netherlands. For instance affordability of housing is increasingly an issue and the shortage of housing is growing. Furthermore a large amount of vacancy exists on the office market and the future of many of these buildings is uncertain. When policies are made or public actors are looking for collaboration with private parties in development the findings of this thesis can be used to better understand such actors. For instance the conclusions that property developers are looking to reduce risks could be used by public parties to find common ground or leverage, by offering for instance certainties or compensations in planning or future use.



# READING GUIDE

This thesis consists of 9 chapters, see Figure 1-1, which can be roughly categorized into 4 parts. Research describes the theoretical framework and research design of this thesis. Literature describes the study that was performed both on changes and trends in property development, as well as the study on business modeling, from which a model has been created. The empirical part of the study goes into detail on the findings of the survey and their implications. In the conclusion of this thesis the results are summarized and recommendations are given.

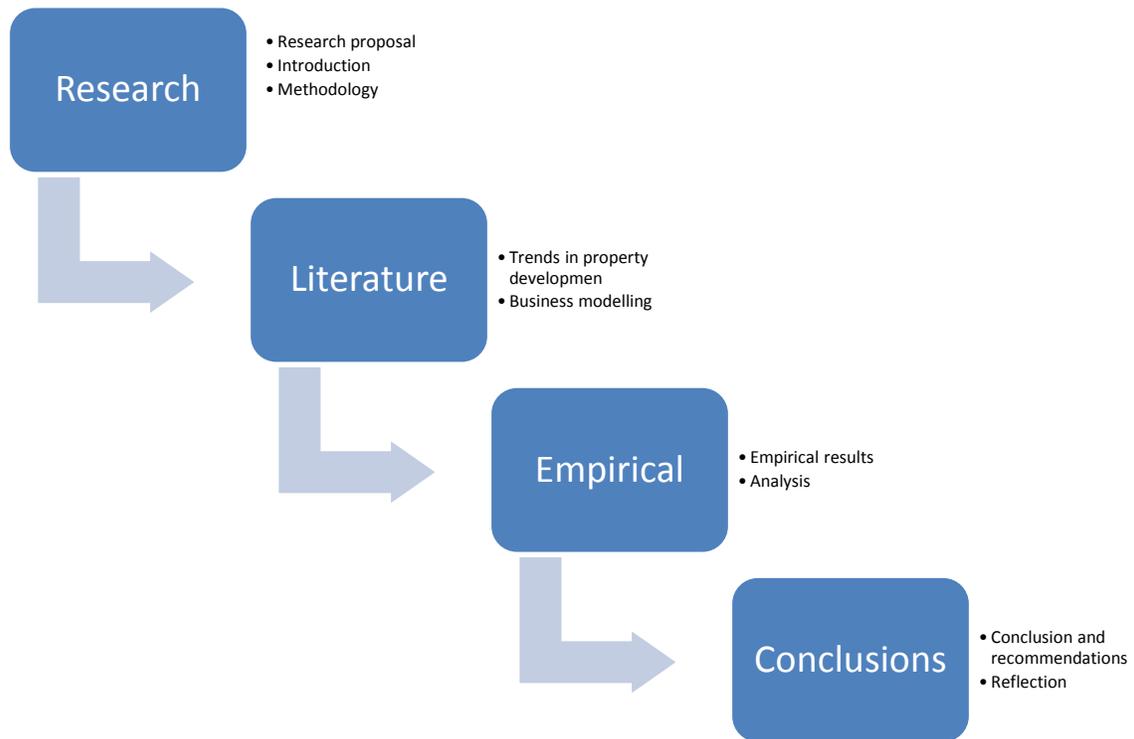


Figure 1-1 Thesis guide

# DEFINITIONS

## ***Property development***

Property development is the development of real estate projects intended for the market, specifically not for personal use. This definition applies to both new projects, as well as to redevelopment of existing property (Nozeman & Fokkema, 2008).

## ***Property developers & typologies***

Property developers are the firms that execute property development. These organization can be categorized into the following typologies (Nozeman & Fokkema, 2008):

- Independent developers
- Developers linked to investors (incl. banks)
- Developers linked to contractors
- Developers linked to firms with a different core business

## ***Development rights (Dutch: grondpositie)***

Development rights are the unused rights to create or adapt property, within legal boundaries

## ***Municipal land company (Dutch: grondbedrijf)***

A municipal land company is the municipal department that buys land, prepares it for construction and sells land.

## ***Business Models***

*“A business model describes the rationale of how an organization creates, delivers and captures value.”*  
(Osterwalder, Pigneur, & Clark, 2010)

## ***Change***

A change in this thesis is interpreted as something that is made or *has become different*, from what is used to be.

## ***Trend***

A trend in this thesis is viewed as a *general course*

## ***Global Financial Crisis***

The Global Financial Crisis is the crisis that according to some is described as one of the worst crisis since the great depression. Potentially the significance of this crisis will lead to fundamental changes in many fields (Florida, 2010).

## ***Post GFC property development***

Post GFC property development is property development taking place after the Global financial crisis of 2008.

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# ***1 RESEARCH PROPOSAL***

## 1.1 INTRODUCTION

The global crisis of recent years mirrors the economic situation of the 1870s, a period that paved the road for unprecedented growth and innovation. Old institutions will break down as spending is reduced. Afterwards this will transition through innovation into bigger and better systems. The impact of such a change will find its way into all aspects of society (Florida, 2010). Property development would certainly not be exempted from such change. Indeed property developers are having to adapt to new conditions (Hooghiemstra, 2012). Signals from practice supporting such changes have been plentiful:

*“Crisis forces property developers towards a new view on real estate” (Trooswijk, 2012)*

*“The crisis has totally transformed my profession” (Keijzer, 2013)*

*“The continuing economic crisis is leaving its marks on property developers” (Bijsterveld, 2012)*

Property development has been characterized by uncertainty in recent years. Challenging markets and limited financial resources have had an enormous impact on the sector (van Joolingen, Kersten, & Franzen, 2009), which according to many is part of a new reality and is leading to change (Hooghiemstra, 2012). Projects have been halted and more than 40% of employees in the sector have lost their jobs (de Zeeuw, 2011). The realization is there that the time of automatic growth is over and questions are raised on what the future will bring. At the same time however the demand for housing continues to exist and new concepts are slowly emerging (de Zeeuw, 2011). Property development has not left its innovation at resolutions but actual change seems to be taking place (Hooghiemstra, 2012).

There are other signals that the building environment is not showing its adaptation to a new reality yet however. Research shows the building industry to be the least innovative (Panteia, 2013) and the amount of bankruptcy in the sector is still twice as high in 2014 as it was before the crisis (CBS, 2014). Although the impact of contextual changes seems undisputed this does not automatically imply changed or new and improved ways of working. However, most property developers indicate to have innovated in recent years, but at the same time it is difficult to assess how objective their statements are (Haak, 2015).

Has the practice of property development really changed after the Global Financial Crisis (GFC)?

## 1.2 PROBLEM DESCRIPTION

The NIROV (Nederlands Instituut voor Ruimtelijke Ordening en Volkshuisvesting) writes that the crisis changed the context of urban development. The process and its actors will change and challenges need to be faced. Albert Einstein is quoted to emphasize the need for new ideas: ‘we cannot solve our problems with the same level of thinking that created them’. Several structural changes have caused a new reality for urban development. Old techniques no longer suffice or are inefficient. With a change from focusing on creating supply towards focusing on the demand there is a new focus on the end-user. Furthermore, the increased security demands by banks and investors force developers to make products that have greater market liquidity. This has created issues and uncertainties for the position of real estate developers. The role pre-crisis developers held in (urban) development, based partially on their development rights and willingness to invest, has become less prominent as other actors have become more essential in creating successful developments (NIROV, 2012).

### 1.2.1 *Changes in the practice of property development since 2008*

The context of property development in the Netherlands is changing at the hand of various trends. Perhaps the most powerful change has been the event of the economic recession of 2008, which could be seen as a sort of catalyst, accelerating existing trends.

From the 1990’s on property developers were an increasingly larger group. As profits and revenues kept on growing more parties were attracted to the sector. Property developers took on a central role from the initiation phase towards the realization phase, building upon core capacities such as risk bearing investment in development rights, creating development plans, project management and knowledge of property markets. Costs of acquiring capital were highly favorable making investments in real estate projects relatively easy. Market circumstances led to a situation where the focus was on the supply side rather than on demand. This led to developers putting little effort into improving their market knowledge of the demand side, but much rather on acquiring development rights (Putman, 2010).

With the advent of the global financial crisis capital availability is diminished, issuing in a different era for the Dutch real estate markets. Difficulties in acquiring capital act as a double-edged sword for property developers, damaging both the front-end through investment capacity as well as rear-end through the ability of consumers to acquire or invest in real estate (Putman, 2010). The trend of decreasing property sales that was already present before 2008 was accelerated by the global financial crisis (Deloitte, 2010), changing the outlook for development firms.

Aside from the global financial crisis several other trends can also be identified influencing property development such as an increasing focus on sustainability, changing demographics and an increasing focus on urban developments over rural developments (van Mierlo, 2012).

With the core capacity of risk bearing investments being damaged and with demand changing because of various ongoing trends the existing role of property developers has to change. Furthermore the outlook of coming years is expected to remain unfavorable for the sector (ABN AMRO, 2014), increasing the that likeliness property developers have to adopt the ways they conduct business to the contemporary market context.

### 1.2.2 Changing Property developers

Several sources indicate that adaptations are indeed being made because of changing market circumstances (de Zeeuw, 2011; Putman, 2010; van Mierlo, 2010) and more than half of property developers indicate to have undergone operational or process related innovations (Haak, 2015). The current market situation is forcing actors to look for new directions (Trooswijk, 2012) and property developers will have to deal with changes from practice to continue their existence (Meuwissen, 2012).

Adapting to such a new context can happen in two ways. By following a 'red-ocean' strategy a firm opts for securing existing methods of conducting business. By aiming for survival the idea can be to outlast other competitors and wait for better times. Alternatively a 'blue-ocean' strategy is selected in which new ways of doing business are sought, that are currently unexploited (Kim & Mauborgne, 2005). Such positions can be found through innovation in products and processes (Putman, 2010).

Many developers indicate to have innovated in recent years (Haak, 2015), which would imply there are new processes and products created in the sector, leading to new ways of doing business. As property developers have a central position between initiative and realization (Putman, 2010) in the real estate value chain, the impact of changes are potentially very large. If the way business is conducted in property development has changed, understanding such changes is highly relevant for property developers in defining their strategies, as well as for other actors active in the sector. As of this moment however little is known on the adaptations that have been made in the way property development business is being conducted and if 'blue-ocean' strategies have been adopted by practice, changing the field of property development.

### 1.2.3 Business models

If property developers decide to adapt the way they conduct business they do so by adapting their corporate strategy. Corporate strategy is *"the pattern of decisions in a company that determines and reveals its objectives, purposes, or goals, produces the principal policies and plans for achieving those goals, and defines the range of business the company is to pursue, the kind of economic and human organization it is or intends to be, and the nature of the economic and non-economic contribution it intends to make to its shareholders, employees, customers, and communities."* (Andrews, 1987). Such adaptations show in the business models that are employed in practice. A business model *"describes the rationale of how an organization creates, delivers and captures value."* (Osterwalder et al., 2010).

Strategy can be seen from multiple perspectives: *"as a pattern, a plan, a position or a perspective. Building on these views, a perspective in the form of a plan is made"* (Mintzberg, 1994). The relation between business models and strategy can be explained by interpreting strategy as something that defines the choices, or is a 'plan', made with the business model, where the business model explains the operational process of how a firm creates value (Casadesus-Masanell, 2010). Business models are more generic than strategy, which is why a strong coupling between strategy and business models is required to gain competitive advantage (Teece, 2010). When identifying changes in the way property development is being conducted in the Netherlands, the operational changes would reveal more of the implications on the real estate sector than what the adaptations in strategies or 'plans' of property developers have been, as the operational changes are the parts of the strategy that have actually

materialized in practice. Business models can be used as an analysis tool allowing for the identification of the characteristics within business (Palo, 2014), supporting the usefulness of business models in identifying changes in the property development business practice.

However, it seems that a relatively weak connection exists between business models literature and the real estate sector. Although the concept is referred to (Peek, 2012; Uittenboogaard & Veldman, 2013) and the business model canvas by Osterwalder et al. (2010) is used by Stumpel (2014) and ten Brink (2013), the connection between the bodies of literature and the practice of real estate is still limited. This is not surprising as business model literature has only in the past decade or so begun to develop as a scientific field (Palo, 2014).

### 1.3 PROBLEM STATEMENT

Based on the problem description, the following problem statement is defined:

*The context of property development has changed because of trends such as the economic recession, with diminished availability of capital, an increasing importance of sustainability, demographic changes, a focus on inner-cities and a decreasing demand for real estate. Indications are that property developers have acted upon these contextual trends and have adapted the way they conduct their business through innovations and adaptations, however limited insights exist on what the actual changes in the business practice of property development business have been. Business models can serve as an analytical tool for the analysis of business, however a gap in literature exists on the application of the concept within the real estate sector.*

*There seems to be a gap in the knowledge (1) as to how property developers have adapted their business functioning to contemporary market conditions, which could be analyzed through business models, as well as to (2) how business models can be used for the analysis of property development business.*

### 1.4 RESEARCH GOAL

***The goal of this research is to better understand the functioning of real estate developers under changed market circumstances. Furthermore the goal is to use business models as a framework for the identification of changes, strengthening the existing, but limited, link between the body of knowledge on real estate and on business models.***

The results that are aimed at are the following:

- The identification and explanation of trends or changes that have affected the property development business

- An assessment of how much influence these trends have had on the business models of property developers
- Identification of what adaptations have been made in business models by property developers, as a consequence of contextual change
- Initiating a property developer business model analysis tool

## 1.5 RESEARCH QUESTION

From the problem statement and the research goal a research question has been formulated. This question has a central role throughout the research and the report. The following research question was formulated:

***What contextual changes can be identified after the global financial crisis, what trends follow from these changes, have these trends influenced property developer’s business models and if so what have the changes in business models been?***

### 1.5.1 Research sub-questions

In order to structure the approach towards answering the research question several sub questions have been created. The sub questions can be divided into questions that will be answered from literature and questions that will be answered based on empirical evidence, see Table 1-1.

Subquestions	
Literature	1.What is property development, how has it evolved in the Netherlands and what suggestions are made on its changes after the GFC?
	2. In what fields can changes can be identified that have influenced Dutch property development and what trends have these changes resulted in?
	3.What are business models and what is their relation to businesses?
	4.How can business models be used to analyze property development firms?
Empirical	5.Have the identified trends impacted the business models of property developers, what influence can be identified and are there differences between typologies or sectors of property developers?
	6.What type of changes have these trends caused in business models?

Table 1-1 Sub questions (own illustration)

## LITERATURE SUB QUESTIONS

**Sub question 1** is used to describe the basis and the background of Dutch property development. Answering this question provides relevant information regarding property development: its historical evolution, its current characteristics, public and private roles and conclusions from research in the field of post GFC property developers.

**Sub question 2** is used to identify the relevant trends that have influenced property development. Answering this question will lead to a set of trends that are described in literature as influencing the context of property development. These trends are the potential drivers of changes in property development business models.

**Sub question 3** leads to an explanation of what business models are. Answering this question leads to an understanding of how business models explain the functioning of a business.

**Sub question 4** leads to an explanation how the business model can be used to assess the changes that property developers have made in the way they conduct their business. The answer to this question forms an important link with the empirical part of the research.

## EMPIRICAL SUB QUESTIONS

**Sub question 5** forms the connection between theory and practice. The trends that are identified from literature and the theory on business models is reflected on practice generating relevant empirical evidence. This information will be used to draw conclusions on the changes in the practice of property developers. Finally the differences that can be identified between different types and sectors of developers are identified.

**Sub question 6** addresses the types of changes that can be identified in business models, categorizing the changes identified in practice.

## 1.6 SCOPE

The implications of the changes as described in the problem definition have a considerable impact on all actors active in the field of property development. However, this research will focus specifically on the Dutch property developer. Changes in the field, resulting trends, changes in property development business and changes in the business models of property developers will be analyzed from the perspective of property developers. Further research could be performed on the impact of the described changes on other actors, or on the implications for other actors in relation to property developers.

Although a large amount of responding developers is favorable, providing a broad representation of the field of Dutch property developers, not all development firms are included. Based on available data on the amount of employees (CBS, 2015a), property developers exist the categories of micro, small and medium businesses (EU, 2003). A drawback of this small- and medium sized enterprises, or SMEs, categorization is that it could create the view that this population is relatively homogenous, while differences exist (Pett, Wolff, & Sie, 2012). In small entrepreneurial firms decision making differs from larger corporations as decision making is limited to the

entrepreneur, or a small number of individuals. The attitude of the entrepreneur makes common strategies inapplicable as they can have different understandings of the business environment and relevant opportunities and threats (Majumdar, 2008).

Furthermore most of the existing literature specifically in property development is focused on small and medium sized firms (Kranenburg, 2011). Considering this research aims to contribute to the existing body of knowledge and researches general changes, the scope of the research will exclude the smallest category of firms.

## 1.7 RELEVANCE

### 1.7.1 *Scientific relevance*

Stakeholder analysis as a research field has seen an increasing popularity, it can be used to *“generate knowledge about the relevant actors so as to understand their behavior, intentions, interrelations, agendas, interest, and the influence or resources they have brought – or could bring – to bear on decision-making processes.”*(Brugha & Varvasovszky, 2000). The technique can be used to identify key actors, such as developers, financiers, planners, community, etc., which can be supplemented by stakeholder planning or other types of stakeholder management(Heurkens & Squires, 2015). Yet the amount of literature available on the contemporary functioning of the property developer as an actor seems limited. Although their functioning before 2008 is extensively described(Nozeman & Fokkema, 2008) and the consequences of contextual changes in recent years discussed through describing the potential future of development firms (de Zeeuw, 2011; Peek, 2012; Putman, 2010; van Mierlo, 2010; van Soest, 2011) and on more specific topics such as innovation (Haak, 2015) or co-creation (Straub, 2012), a more general outlook on their contemporary functioning would contribute to a better understanding of this actor. This thesis will focus on analyzing the general business functioning of property developers through their business functioning, improving the understanding of this actor in the scientific field. Property developers traditionally have a strong presence in the office and retail sector and have gained a more prominent role in the housing sector (Boelens & Visser, 2011). Both in the years before and after the GFC their share of new production in housing has at all times been more than 50% (BPD, 2014). This highlights the relevance of understanding this stakeholder in the built environment of the Netherlands.

Furthermore the Developer Business Analysis Model or DBAM as discussed in chapter 5 contributes to the connection between the knowledge fields of property development and Business models. Area and property development issues are for a considerable part caused by the difficulties in collaboration between its actors, for which new forms of collaboration would be beneficial(Franzen & de Zeeuw, 2009). Business models as a tool for analysis as well as synthesis(Palo, 2014) could perform a considerable role in creating understanding of the actors and crystallizing such new forms of collaboration in literature. Although van van Mierlo (2010) discusses business models of property developers after the GFC, the focus in this research lies on the strategic orientation which, as discussed in chapter 5, is at a different level of abstraction. The utilization of the business model concept in this thesis could form the basis for such further uses through showing its practicality in explaining actors and their functioning, leading to further connection between both scientific fields.

The scientific relevance of this research can be summarized as following:

- Contributing to the understanding of property developers as an actor in the post GFC property development environment, showing the influence and changes made in this environment by this actor
- Contributing to the field of urban development management research, specifically on the changes in recent years made by developers in the way they function in this context, providing better insight into the contemporary field of urban development management
- Strengthening the link between business model literature and urban development management and property development literature, by initiating a business model tool and using it for the analysis of property developers

### 1.7.2 Practical relevance

With many projects halted, project developers that have gone bankrupt and employees that have lost their jobs the property development sector has experienced a considerable blow. Just before 2008 there were many signals of the great future ahead for area development(ING, 2006), which only a few years later has turned out incredibly different. This leads to questions how this could have happened and what it will mean for the future. Based on the findings in this thesis a better understanding of the implications of recent changes can be gained by practitioners. This can help property developers in further adapting their business models or redefining their strategies. Furthermore other actors that are involved with or interact with property developers can use the findings in this thesis to better understand the contemporary property developer as an actor, which is for instance usable in their stakeholder management.

### 1.7.3 Societal relevance

Several problems exists within the built environment of the Netherlands. For instance affordability of housing is increasingly an issue and the shortage of housing is growing (Boelhouwer, 2014). Furthermore a large amount of vacancy exists on the office market and the future of many of these buildings is uncertain (Mulder, 2015). Potentially property developers can play a role in solving some of these issues.

When for instance policies are made by public parties towards stimulating the redevelopment of offices, a better understanding of property developer functionality is beneficial. Furthermore a better understanding of property developers amongst each other and other actors could lead to an increased amount of competition, potentially increasing affordability of housing. Finally transparency is an ongoing issue in the field, particularly events such as the 'Bouwfraude' have damaged the image of property developers. This could be improved by a better understanding and increased transparency of developers. This thesis potentially contributes to such aspects.

# ***2 INTRODUCTION: PROPERTY DEVELOPMENT IN THE NETHERLANDS***

## 2.1 THE HISTORY OF PROPERTY DEVELOPMENT IN THE NETHERLANDS

Property development is a field that has seen major developments over the past years. In order to shed a better light on the field of property development under recent changes, a view from a larger timeframe is used to describe the context from which today's field has formed and form the basis for further research. This includes the evolution of area development in the Netherlands. Area development can be seen as a combination of policy and property development (van Rooy, Luijn, & Dil, 2006) and is therefore closely related to property development and the context in which it takes place. The separate periods that are indicated are from the perspective of the relation between private and public parties and economic circumstances, which are considered to be important influencers of property development (de Zeeuw, 2011; Putman, 2010).

### 2.1.1 Phases of property development

#### PRE-WORLD WAR II (1900- 1949)

The majority of Dutch real estate was realized by private parties in this period, by issuing construction companies to build properties. Some contractors started building houses on their own merit, issuing the beginning of property development. At the beginning of the 20<sup>th</sup> century legislation led to the introduction of housing corporations, expanding the playing field (Abrahamse & Noyon, 2007). Public parties took no participating role at this time.

#### POST-WORLD WAR II (1950 – 1969)

In the 50's the ministry of 'Wederopbouw'(reconstruction) is founded to stimulate the construction of housing. Through subsidies large amounts of rental housing are created. Housing corporations and to a certain extent private institutions are responsible for the realization (Tilli, 1995). Area development is starting to form as a relevant field in the 60's. Large urban operations such as Hoog Catharijne in Utrecht and housing developments such as Poelwijk in Monnickendam are initiated. Municipalities tackled projects in collaboration with Bouwfonds Nederlandse Gemeenten through the initiation of a separate entity in the form of an NV (naamloze vennootschap). Several actors worked together over a longer period of time on spatial projects, forming the first area developments. The focus in these days was primarily on quantity (de Zeeuw, 2011).

#### MODERN TIMES (1970 - 1989)

With an on oil crisis and economic recession the belief in the created society loses its credibility and under right wing politics the market is given more maneuvering space. With a new economy focusing on knowledge and cities taking up a position as driving force of the economy new key projects such as the Kop van Zuid in Rotterdam are initiated. Under the 'Vierde Nota' and the 'Vierde Nota Extra' large scale housing projects are allocated at the edges of major cities. Market parties are asked to participate in land development as municipalities are wary of the damage the municipal land development agencies had gotten under the recession in the eighties. In this period the first Public Private Partnerships are formed as a new way of working and a shift takes place towards the creation of areas with quality (de Zeeuw, 2011). At the end of this period the amount of developers is still limited, although they are becoming increasingly mature organizations (Tilli, 1995).

## ACCELERATED GROWTH (1990 – 2008)

In this period the government is adopting market oriented perspective and there is strong economic growth, stimulating property development. In this period large housing project in the form of Vinex-locations are initiated as well (Putman, 2010). The field of area development makes a leap forward. The range of involved parties increases as real estate, nature and agriculture and water find mutual benefits. Parties such as Staatsbosbeheer, Natuurmonumenten, Waterschappen and the Dienst Landelijk Gebied enter the field. Hospitals gain financial responsibility of their real estate and provinces take up a role as commissioner. Housing corporations gain a central role within urban redevelopment and aim to achieve not only affordable housing but social-economic growth of its tenants as well. In this period the amount of literature and documentation on the newly found approach is increased drastically (de Zeeuw, 2011).

## RECONCILIATION (2008-PRESENT)

Many projects have found considerable delay or even a complete halt in this period. As property development is heavily linked to economic prosperity and highly dependent on the capital market the fall of Lehmann Brothers has initiated a recession for area and property development. Even in the few places where market demand still exists project financing remains a major issue. Almost 40%, and counting, of the people in the development sector are told to pack up their belongings in the first few years. At the same time there is still a demand for better housing and there are still urban regeneration projects waiting for development. Confusion exists on what the future will bring and scarcely new concepts are emerging. The realization has emerged that the time of automatic growth is over (de Zeeuw, 2011). In recent years some signals of recovery have begun to emerge. The amount of housing permits has seen a decline until a low of 16.000 issued permits in 2013, while in 2014 18.000 permits were issued and in Q1 and Q2 of 2015 a combined amount of 9.900 permits were issued, showing increase. However, this is still considerably lower than the amount of permits from 2000-2007, when on average more than 30.000 permits were issued per year (CBS, 2015c). In the office market a small increase in acquired office space of 2.2 % from 2014 to 2015 can be seen (DTZ, 2015b), further indicating recovery of property markets.

### 2.1.2 A new period: Post GFC property development

Property and area development are historically strongly influenced by economic conditions and public private relations(Putman, 2010) therefore the GFC serves as a logical demarcation for a new period. Although changes in public private balance are part of an ongoing shift (Heurkens, 2012), the impact of the 2008 economic crisis is a discernible time in history. The focus of this thesis, property development after 2008, will therefore be referred to as post GFC property development.

## 2.2 URBAN & PROPERTY DEVELOPMENT

This paragraph elaborates on the practice and definitions of property development in the Netherlands of recent years.

### 2.2.1 *Property development*

Property development is investing in the development and realization of real estate projects for the market, not for personal use. This can be houses, offices, shops, leisure locations, etc. or any combination of those. The field deals with both new projects as well as the redevelopment of existing properties (Nozeman & Fokkema, 2008).

### 2.2.2 *Urban development*

As the name 'urban development' suggests it is the development of urban areas. The size of such an area is not defined and only limited by the actors and their capacities. These capacities imply both process related characteristics such as management and knowledge and tangible assets such as finance to realize the development (van der Gijp, 2004). The action of public and private parties creates a development in the city that cannot only be seen as a spatial intervention but as a development in cohesion with economic, social and many other developments (van 't Verlaat, 2008). A more appealing way of viewing urban area development can be that it is the art of connecting functions, disciplines, actors, interests and monetary flows aimed at the (re) development of an area (De Zeeuw, 2007).

Urban development can be seen as the (re) development of an area, initiated by either public or private actors that will collaborate in various ways and in changing forms during the process. The different characteristics of actors allow them to complement each other and realize developments.

### 2.2.3 *Characteristics of property developers*

There are several distinct characteristics that can be identified of project developers up to 2008. The most fundamental characteristic is that they invest in development rights, land preparation and the shaping of plans. In this process there are many actors, such as legal experts and other consultants. Such actors are hired by the developer and thus do not take part as investors in the process. According to Kazemi, Gruis, and de Zeeuw (2009) and Nozeman and Fokkema (2008) the key competencies of developers in area development are:

- Investment in development rights (the strategic acquisition of land)
- Investment in planning & land preparation
- Concept development
- Product development
- Project management
- Market knowledge
- Contracting/organizing
- Network of actors

Aside from these competencies that are needed to develop areas and properties, more negative characteristics of project developers exist as well. Often there is a considerable lack of transparency in their functioning which can be explained by their strong internal orientation. Due to affairs such as the Bouwfraude the reputation of developers is not good. Furthermore the business process of developers is aimed at repetitive and continuous production, leading to areas sometime lacking quality. Finally the market knowledge they are expected to have is sometimes disputed (Putman, 2010).

### 2.2.4 Changes in property development

Within the development process the developer has an active role in a central position. Their aim is to maximize revenue and controlling costs. The motivation behind this is the maximization of the margin they can make. In order to create maximum revenue and minimize the cost the developer needs many competencies (Vlek, 2009). When visualizing this centralized role in a scheme the different interests and flows become clear, see Figure 2-1.

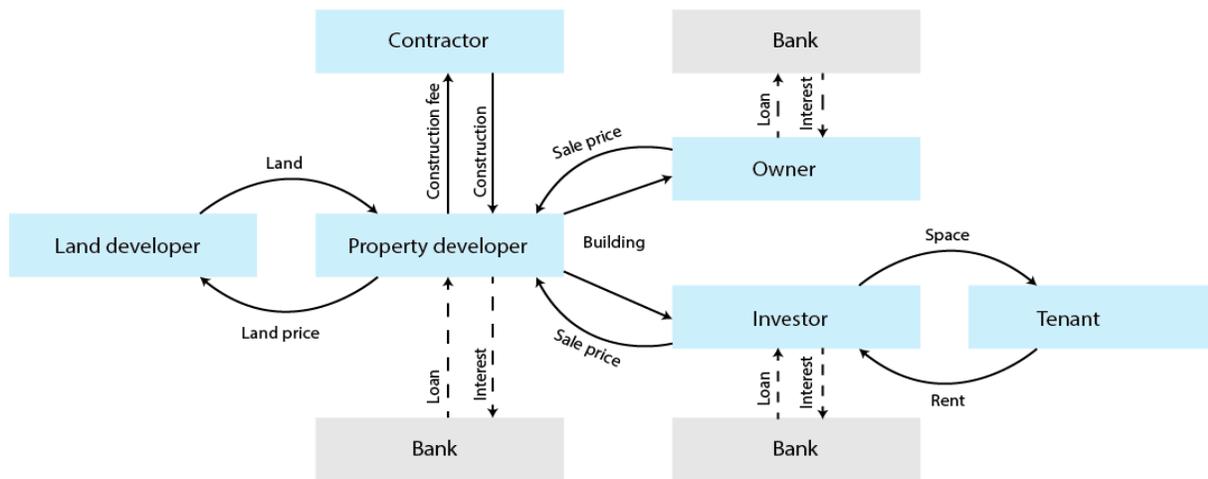


Figure 2-1 Developer position, based on Kuijpers (2010)

The expectation is that the nature of project development will change under contextual influences. The central position of developers might not be so certain in the future and developers are expected to change their focus. The focus will shift towards the right side of the image, the process will become increasingly important, there will be less investing in development rights and more competition from different actors, previously not active in the Dutch development field (Putman, 2010). With a decrease of sales, banks that have stopped pre-funding and depreciation of owned land project development has been dealt an incredible blow. With the re-valuing of development rights and a decrease in investment capacity, production has become very low (van Joolingen et al., 2009). Putman (2010) argues the changes of recent years will change the role of project developers. The hit and run approach of the past are likely to stay in the past and a new emphasis on the collaboration with other actors will be key to continued business. Aside from the effects of the economic crisis there are indications that there is more going on in the real estate market. Besides cyclical aspects there seems to be a more structural imbalance. The office market deals with a considerable quantitative oversupply, the retail market is faced with qualitatively changing demand while the housing market is dealing with a shortage and a financing issues, affecting possibilities for property development (van Joolingen et al., 2009).

## **PUBLIC PARTIES**

Municipal land development companies have regularly made their appearance in the news on the incredible amount of devaluing of their land. Deloitte (2013) estimates the financial effects of the crisis on municipal land companies to be 4-6 billion euros with an expected further increase of 0,7 – 2,7 billion euros. This has put municipalities in the position where they are no longer investing in area development (van Joolingen et al., 2009). Municipalities seem to be either choosing a more facilitating role or are taking a step back towards the traditional active land policy role (Franzen & de Zeeuw, 2009).

## **FINANCERS**

The financing sources for area development can roughly be split into banks and other investors. Traditionally banks are major funders of real estate development. With increasing reserve requirements the amount of loans have decreased considerably, negatively impacting their property development investment capabilities (van Joolingen et al., 2009). Franzen and de Zeeuw (2009) argue that banks will permanently require more equity capital for investments. For investors the adjustment of required yields based on risk analysis has led to a decrease of investments. However, their long term orientation makes them very suitable for real estate investment. This has led to investors now focusing on smaller projects and an increased emphasis on phasing. (Gebiedsontwikkeling, 2011b).

### **2.2.5 Conclusion**

Property development is investing in the development and realization of real estate projects for the market. Changes in recent years have affected the way this process is conducted. Post GFC property development is faced with decreased financial means as investors have increased demands for equity capital (Franzen & de Zeeuw, 2009), leading to an increased importance of the process and the collaboration with other actors (Putman, 2010). Furthermore structural imbalance seems to exist in the housing, retail and office markets, further affecting the property development process. Finally public parties as an actor in property development have suffered considerably under the devaluations their land companies face, making them unwilling to invest in property development (van Joolingen et al., 2009).

## 2.3 PUBLIC PRIVATE ROLES IN AREA DEVELOPMENT

The investments of area development are paid for by either public or private parties. Some investments are always made by public parties or private parties while others can be invested in by both parties. The municipality in the Netherlands always pays for the making of plans and the supervision on their realization. They connect infrastructure to the plan area, if necessary, facilitate other needed infrastructure as well. They can sell land below the costs of making it, to facilitate for social use and for instance compensate for devaluing of other properties due to planning. The costs that are always paid for by a developer are the acquisition of land and existing buildings and the construction of buildings. The costs that can be paid for by both the developer and the municipality are preparing the land for building, the construction of plan area infrastructure and the creation of shared facilities (Needham, 2014).

With the growing role market actors have had since the 70's a trend seems to have been initiated of increasing market influence. The role of the public sector is decreasing while societal decisions are increasingly being made by the private and civic sector (Heurkens, 2012). In order to better understand the balance between the public and private sector and its consequences for development it is important to comprehend the apparent paradigm shift.

### 2.3.1 *The rise of Anglo Saxon values and governance in the Netherlands*

The historically dominant power of the government in the 20<sup>th</sup> century has made place for a different role of the state. A shift has taken place from a Rhineland model towards an Anglo Saxon model (Heurkens, 2009). A Rhineland model is characterized by government control of markets, a is traditionally seen in most of Western European countries. The Anglo Saxon model is more often seen in the USA and the UK, in which free markets are dominant and the government takes a much more limited controlling role. Within the context of which urban development is part van Rooy et al. (2006) recognize that values are changing towards those of the Anglo Saxon model.

Relationships, amongst others, change with the rise of a changed planning approach focused on the market (van Rooy et al., 2006). From the National Spatial Planning Policy the concept of development planning, also referred to as consensus planning, as opposed to restrictive planning, is introduced. The preference for such a model comes forth from the dissatisfaction of restrictive planning approaches (Hobma, 2005). A parallel can be drawn here with the increase of complexity in society. Franzen, Hobma, de Jonge, and Wigmans (2010) describe the last decades as increasingly complex. This change affects the political environment considerably. A fundamental societal change lies at the basis of the diminishment of predictability (Drucker, 1992). Globalization, technological advances, cultural pluralism and knowledge capital are the driving forces behind the changing reality. The following statement of Bruil (2011) emphasizes the impact: *'The more dynamic the environment, the more organic the structure will be (no clear lines of responsibility and authority; open/free, quick and informal communication) [and] the more difficult the environment is to comprehend, the higher the degree of decision making by decentralization (the more choices and decisions are spread across the entire organization)'*.

A critical side note should be placed next to the change of balance between the market, civic society and the state (Heurkens, 2012). Several authors (Adams & Tiesdell, 2010; Alexander, 2001; Boelens, 2010; Lind, 2002) position the government as something that cannot be seen as a loose entity but is something that is inseparable from the market. The government is part of and acts within the market meaning the positioning as an external factor is in this view not applicable. However, a structural empowerment of private parties is taking

place(Heurkens, 2012). As a market actor property developers will be affected by such a shift in power. As public influence decreases and civic power increases developers will have to deal with different interactions accordingly. It would seem civic interaction will become increasingly important for market actors, including property developers.

### 2.3.2 Impact on the urban development process

In the frame of a changing society and changing roles urban development is faced with the challenge of reinventing itself to become competitive. With a change from government to governance a network of actors has led to the need for integration of different aspects and goals of those actors and their alignment within urban development(Wigmans, 2011). The success of urban development is amongst others dependent on the collaboration of its actors(van Bortel, van Bueren, van Eeten, Elsinga, & Kerpershoek, 2007). With the increase of complexity, the uncertainty of activities and unpredictability, the emphasis changes from projects towards processes. A context of complexity calls for the management of processes within a network rather than project management techniques (de Bruijn & ten Heuvelhof, 2008). Urban development contains aspects of both project management and process management (Franzen et al., 2010). The shift towards process management however implies that the management of actors is increasingly more important over steering towards a predefined endpoint(de Bruijn & ten Heuvelhof, 2008).

As municipalities are adapting from the perspective of a supply driven market and an active role towards a more facilitating role, their position is changing. The risk of area development is left to market parties and their active role as developing party is slowly bided farewell(van de Hoef & Lansbergen, 2013). Such a change affects the interaction between actors in urban development.

Several factors that influence public private co-operation can be identified (Heurkens, 2012). First of the financial crisis has damaged the capacity of public parties to invest. Secondly, before the crisis, there was an increase in the mobility of capital emphasizing the role of private parties. Thirdly there is an increase of complexity in actor networks leading to the need for collaboration with private parties. Finally the shift towards a neo-liberal way of thinking the reliance on market mechanisms is increased. These changes put an emphasis on public private co-operation giving them a more important role in area development. Public Private Partnerships can be defined as *'cooperation between public and private actors with a durable character in which actors develop mutual products and/or services and in which risk, costs, and benefits are shared'* (Klijn & Teisman, 2003).

### 2.3.3 Roles within Public Private Partnerships

In the early 1980's Public Private Partnerships were introduced to deal with co-operation in urban projects between private and public parties (Heurkens, 2012). The need for private investment in development projects has led to the typologies of co-operation as we see them today according to the Kenniscentrum PPS (2004): Public realization, PPP building rights, PPP Joint Ventures, PPP Concessions and Private Realization. The public sector takes on the most prominent role in Public Realization and the Building rights model, while Concessions and private realization are private sector led. Joint ventures have an equal balance between public and private parties. Depending on characteristics of a project such as the desired program, the urban situation and the project duration influence the choices for a certain model. Furthermore the amount of financing available plays a critical role. Finally, the allowance for the sharing of risks, benefits and responsibilities is a determining factor(Heurkens, 2012). Table 2-1 shows the roles within the different typologies of collaboration.

Development stage	Sub-stage	Public Realization	Building Rights	Joint Venture	Concession	Private Realization
<b>Initiative</b>	-	Public	Public or private	Public or private	Public	Public or private
<b>Plan &amp; feasibility</b>	Vision and program	Public	Public & private	Public & private	Public & private	Public & Private
	Design plan	Public	Public & private	Public & private	Public & Private	Private
<b>Realization</b>	Land development	Public	Public	Public & private	Public & Private	Private
	Real estate development	Public or private	Private	Together private	Private	Private
	Construction	Private	Private	Private	Private	Private
<b>Operation</b>	Maintenance public space	Public	Public or private	Public or private	Public or private	Public or private
<b>Land use policy</b>		<b>Active</b>		<>		<b>Passive</b>

Table 2-1 Public & private roles within PPP models from Heurkens based on Kenniscentrum PPS (2004)

### 2.3.4 Difficulties for Joint ventures

The Joint Venture typology was a successful model of area development in the years before the crisis (Franzen & de Zeeuw, 2009). This type of collaboration required the investment of considerable amounts of capital from both private and public parties, which makes it incompatible with the current economic recession. Several other issues can be identified in relation to joint venture models as well. In the light of urban competition principles the forming of a joint venture based on similar interests is not always in line with clear competition amongst private parties (Hobma, 2011). The problems that occur within the contracts are a point of discussion as well. Often the exact roles are not defined or it is not possible to define them leading to transparency problems. The fact a joint venture is owned by both private and public parties creates a difficult situation for public parties with a ‘double hat problem’(Needham, 2014). Finally due to legislation urban development projects are to be tendered as a whole with clearly defined expectations and responsibilities while in practice this often does not occur. The expectancy might point more towards private parties in leading roles of urban development projects as public parties seem reluctant to take on risk as well as well as legislation causing potential problems.

### 2.3.5 Value capturing

When private parties take over a large part of the development process the situation might exist where public investment leads to the benefit of private parties without a direct way of retrieving or sharing the investment for the public party. In such a case ‘value capturing’ could come into play. A translation of van der Krabben and Needham (2008) of the definition from the RVW (2004) is as follows: ‘a group of instruments that enable the increased value of land and property as a result of public investments in transport infrastructure to be captured directly or indirectly, so that it can be used for financing the activities that are responsible for the increased values.’ In research regarding the role of government and its relation to private parties Huisman

(2006) researched the process in which such external effects are used the process of value capturing: The use of instruments that make it possible to fund projects using means coming from other functions that profit directly or indirectly from the project. In this process 3 factors are essential: The presence of profit, accountability and proportionality. Meaning that the value that will be created will be funded proportionally to the additional profit that is generated by a certain project. This process might be seen more often in the future with regard to the increasing private role in area development.

### 2.3.6 Consequences for property developers

Increasing complexity in society (Franzen et al., 2010) and dissatisfaction of restrictive public planning (Hobma, 2005) are leading towards a development planning approach in the Netherlands. Private parties are gaining influence in societal decision making (Heurkens, 2012), leading to increased influence of market and civic actors.

Furthermore the increased complexity leads towards increasing emphasis on process management, focusing on actors in the process, rather than project management, focusing on an end-goal (de Bruijn & ten Heuvelhof, 2008). As public parties are taking on a smaller role PPP models will likely shift more towards concessions and private realization. Potentially this will lead to an increase of instruments such as value capturing, allowing public parties to distribute costs towards private parties.

## 2.4 THE FUTURE OF DEVELOPMENT

### 2.4.1 New ways of collaboration in area development

A description can be made on how the working methods of urban development changed from a pre-crisis approach towards the current approach and towards the potential future. This potential future is not a blueprint, but rather an exploration of a potential direction (Peek, 2012). The model describes a transition from property development as it is commonly known towards a situation after the GFC where the focus has been on current owners and users, as demand dropped and investment capabilities were diminished and finally towards the future. In the future approach, it seems property developers are no longer very relevant as investors, other actors and users take on a larger role. Investors will take the initiative and form a consortium with future users and actors responsible for different “flows”, such as energy. The 3 different approaches can be found in Table 2-2.

Approaches to Area Development				
Approach	Focus	Role	Added value	Private partners
Old	Development	Active developers	Advantages because of scale	Real estate developers
Current	Current use	Facilitating managers	Vertical chain integration	Current real estate owners and users
Future?	Future use & flows	Initiating investors	Horizontal chain integration including flows	Future real estate owners, users and actors involved in flows

Table 2-2 Approaches to area development (Peek, 2012)

The pre-crisis, ‘old’, ideal typology of large scale projects, driven by even bigger ambitions and a supply driven market, has proven its inability to withstand the economic crisis (Peek, 2012). The demand for flexibility in plans is not compatible with the ‘old’ way of working, using large scale pre-defined plans over longer period. Blue print, top down approaches are making way for newer ways of development incorporating more general end goals and strategic phasing (Gebiedsontwikkeling, 2011b). With the increase of complexity and unpredictability such as described by for example van Bortel et al. (2007) it is not surprising this approach of long term planning, capital intensive, blue print area development has proven unfit in most cases.

A Dutch merchant saying goes ‘*De kost gaat voor de baat uit*’ (Daamen, 2005), which translates as costs come before benefits, gives a hint at the deadlock in area development, in the ‘current’ situation. Under complexity and the loss of trust in future benefits large investments are not easily justified. The emphasis has shifted towards the benefits that can be gained from the area at the moment. The need for more flexibility and the slower pace of development has led to an organic form of area development that makes incremental changes that increase or maintain the value of an area. Although such an approach provides a way of bridging the crisis, it is not suitable to provide for the sometimes needed larger scale goals. Chances for larger scale area developments and substantial public-private parties are likely to arise again in the future (Gebiedsontwikkeling, 2011b).

Under the ‘future’ approach, the exploitation of the area now and the potential future exploitation are taken into account. This would stimulate a focus and the full lifecycle and the future values of areas. Such a way of working would mean a replacement of the pre-crisis approach focused on quick singular profits. The long term focus would bring infrastructure and sustainable investments into the scope of development. For example smart grids and efficient use of resources could be connected to building exploitations (Peek, 2012).

Hagendijk and Franzen (2012) argue that the private sector seems to be waiting for public investments while they should focus on making better use of their own investment potential and take on a more leading role.

With a long term focus of a balanced urban exploitation, replacing a balanced land development, projects can become feasible (de Graaf, 2011). For property developers such a leading role in the ‘future’ approach would imply a focus on long term exploitation while their ‘old’ focus was on ‘quick singular profits’. Furthermore, as the amount of actors as well as the duration of collaboration increases, a strong focus will have to be on collaboration, this would be in line with the increased process focus described in 2.3.

### 2.4.2 Changing competencies of developers

One of the potential directions of future property developers is towards a form of development in which they reduce their risk. In a ‘fee’ type development they will use their capabilities to realize projects based on other investors capable of carrying the risks needed for development. Simultaneously other developers, that are able to adapt quickly enough and have enough financial means, can stay in a role that is similar to their original way of working. Another possible situation is that area development will remain on a smaller scale with smaller projects. This would mean less risk for property developers. Larger project could come into existence through collaborations with more actors than traditionally seen in area development. (van Mierlo, 2010).

Within the new context that has taken shape around property development, it is likely the competencies of property developers would have to change accordingly. Putman (2010) discusses the competencies that are likely to be relevant in post GFC property development. The competencies before and after 2008 are shown and the differences between them are analyzed in Table 2-3.

Competencies before 2008 (Putman, 2010)	Competencies after 2008 (Putman, 2010)	Difference
Risk bearing investment in land	Organizing investment capital	Shifting emphasis towards acquiring sufficient capital over distributing capital
Risk bearing investment in planning	Risk bearing investment in planning	Similar
Concept- and product development	Concept- and product development	Similar
Project management	Project and process management	Increased relevance of collaboration with other actors
Market knowledge	Improved knowledge buyer’s market and improving knowledge on marketing	Increasing amount of required and relevant knowledge
Contracting and organizing	Connecting	Increased importance of relations over legal arrangements
Network of relations	New relations	A broadening of the amount of actors in the network

Table 2-3 Competencies (Putman, 2010)

The many changes in the practice of property development in recent years force developers to adapt in order to be able to survive. Many developers state they are innovating. The main reason for doing so is the lack of market demand and the difficulty in financing projects (Haak, 2015).

More than half of the developers take on a defensive or market reading innovation strategy, in which their main innovations are process related. In general many developers take on a different strategy and have produced different innovations. The most often identified innovations in a survey of 42 developers were a focus on the end user, sustainable development and concept development instead of tailor-made solutions (Haak, 2015).

In research on what competencies would be needed to be successful as a property developer in the future the following competencies come forward (van Mierlo, 2010):

- Flexibility
- Social skills
- Market knowledge
- Process knowledge
- Conceptual skills
- Transparency
- Societal orientation

When taken this list into account, the amount of focus on inter-actor skills stands out, social skills, process knowledge, transparency and societal orientation all contribute to this aspect and would potentially show as changes implemented by property developers.

In research identifying the changes property developers have implemented in their urban development strategies because of changed market circumstances, various adaptations emerge. In order to deal with difficulties in arranging finance, property developers realize better collaboration is needed, to reduce risks. In the future customer oriented or concept focused development strategies are likely to be more successful compared to land position based strategies. The client or the concept are most important in such strategies (van der Ven, 2011).

## 2.5 ANALYZING PROPERTY DEVELOPERS

The implications of choosing a new strategy, or adapting the existing strategy, show in the operational aspects of a business. Corporate strategy entails aspects such as scope, the business environment, operational choices and the distribution of resources (Johnson & Scholes, 1993). The strategy itself can be seen as a creating a certain 'position', this position is then what dictates the selection of a business model (Casadesus-Masanell, 2010). From these perspectives the business models reflect the operational changes that have taken place within a firm and reflect the strategies firms have adopted. Investigating the business models would therefore be suitable to reveal any adaptation made by property developers in the way they are functioning.

In the light of understanding the functioning of property developers as an actor, analyzing their business models can therefore be very useful. The method of how such analysis can be performed is further explored in this research.

## 2.6 INDICATED CHANGES OF PROPERTY DEVELOPERS

The environment in which contemporary property development takes place has severely affected both the sector as well as individual firms (Putman, 2010). As property markets are slowly recovering in 2014 and 2015 and the start of the crisis is almost 7 years ago, a suitable moment exists to reflect on the way property developers have dealt with the changed market context since 2008. Have property developers opted for changes in the form of a 'blue ocean' strategy, finding new ways of doing business, or a 'red ocean' strategy, where existing methods have been continued in an attempt at outlasting competitors (Kim & Mauborgne, 2005).

As described in this chapter, various authors have written on changes, or potential changes, in the context in which property development has changed and the possible consequences for property developers. The three main characteristics that come forward are the (1) decreased availability of financial means (Franzen & de Zeeuw, 2009; Peek, 2012; Putman, 2010; van Joolingen et al., 2009; van Mierlo, 2010), (2) an increased emphasis on the process and on other actors in property development (Franzen et al., 2010; Peek, 2012; Putman, 2010; van Mierlo, 2010; Wigmans, 2011) and a decreasing role of public actors (Franzen & de Zeeuw, 2009; Heurkens, 2012; Hobma, 2005; van Joolingen et al., 2009; van Rooy et al., 2006).

Lower market demand has led to a highly competitive red-ocean environment in property development, as a consequence property developers could cease to exist or suffer from reduced revenues and profitability (van der Ven, 2011). In order to deal with such changes several authors suggest different ways developers can deal with such a context, which can be considered as blue-ocean strategies. Such suggested blue ocean strategies can be found in Table 2-4.

Potential Blue-Ocean strategies			
Peek, 2012	van Mierlo, 2010	Putman, 2010	van der Ven, 2011
A focus on cash flows	Fee-based property developers	More competencies in organizing capital	Customer oriented
Incremental/smaller development	Forming alliances (Collaboration between developers or with other actors)	More focus on market knowledge	Concept oriented
Long term focus on the full lifecycle	Customer intimacy (Focus on inter-actor skills (social skills, market and process knowledge, transparency, societal orientation))	More prominent role of relations	
New actors of 'flows' involved in development	Flexibility	More focus on process management	
	Product leadership (Conceptual skills)	Involving new actors in property development	
	Focus on cash-flows		
	Specific market focus		

Table 2-4 Potential Blue-Ocean strategies

These suggestions or observations have been made two to three years into the global financial crisis. Whether or not changes that showed in initial years have lasted or changes that were suggested came into existence is not yet described in literature. Potentially developers have indeed started looking for blue-ocean strategies and changed the way in which they work, rather than focusing on survival in red-ocean strategies.

# **3 METHODOLOGY**

### 3.1 INTRODUCTION

The research methodology forms an important part of performing research. The process of writing a thesis typically consists of defining a research questions, creating a plan of approach, writing a preliminary versions and writing a final version (Elling, Andeweg, de Jong, & Swankhuisen, 2005). This chapter explains the plan of approach in detail, which was based on the research question formulated in chapter 1 and the preliminary literature study in chapter 2.

When dealing with research methodology, the design of the study, the actual execution and the presentation of the results should be outlined (Bryman, 2012), this chapter explains these topics regarding this thesis.

The goal of this research is to clarify post GFC property development, through analyzing the changes in the property development environment, their respective trends and the possibly resulting business model changes, as visualized in the conceptual model (Figure 2-1).

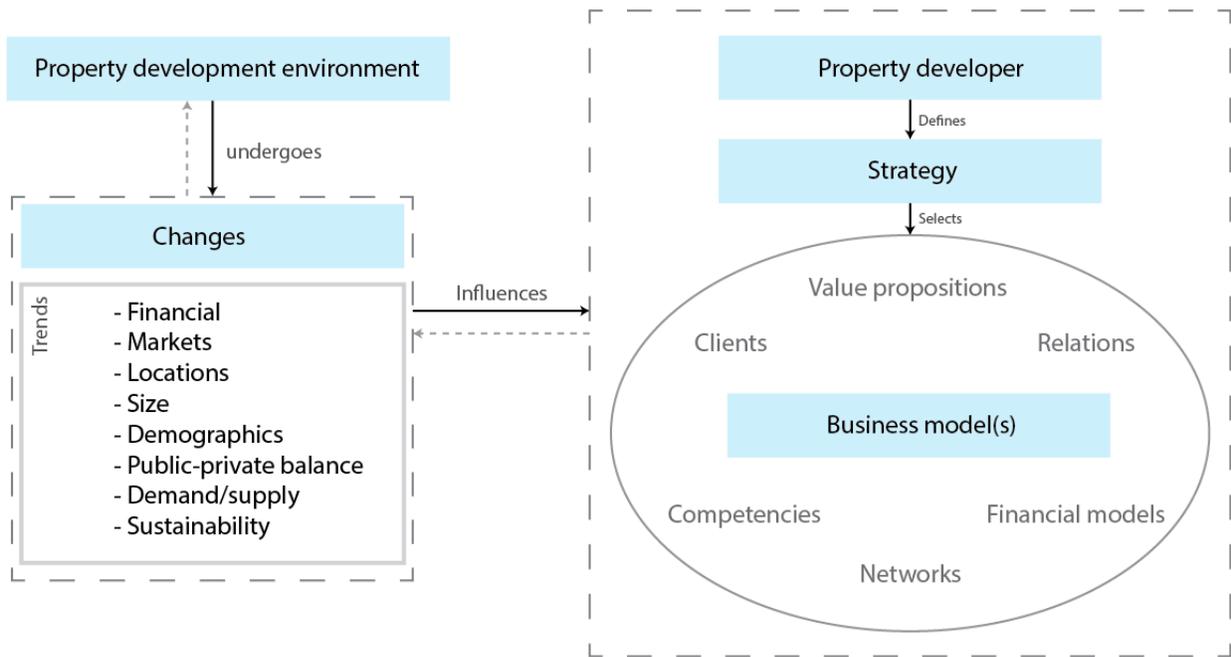


Figure 3-1 Conceptual model (own ill.)

### 3.2 APPROPRIATENESS OF THE RESEARCH DESIGN

The research design of this thesis can be referred to as *mixed-methods research*. On the one hand the design contains elements of qualitative nature, where a focus lies on words and the relation between theory and practice is of an inductive nature. On the other hand there are aspects to the design of quantitative nature, in which theory is tested and the emphasis lies on the quantification of data. Mixed-methods research is research that integrates both qualitative and quantitative research. Although more and more varied findings can be interpreted as something positive, mixed-methods research is not superior to other strategies, and certain aspects have to be taken into account (Bryman, 2012) :

- As for mono-method research, competent design and conduction is needed
- The method, like mono-method research, must be appropriate for the research questions and research area
- It is good to explain why mixed-method research is conducted
- Consideration of how the qualitative and quantitative components are related should be considered
- Explain methodological details of both methods
- Research projects have limited resources, which may lead to negative impacts on either or both methods
- Research skills of both quantitative and qualitative nature are required

This chapter explains the design of this research and discusses the argumentation, which can be seen as positively contributing to a 'competent' design and execution. The research question entails both a quantitative aspect, as to asking if trends have impacted property developer business models, as well as qualitative aspect, as to what these changes have been. Quantifying the qualitative results, as well as qualifying the quantitative results support the answers provided to the research question, therefore justifying the selection of a mixed-method research design.

### 3.3 RESEARCH METHODS

A variety of methods exist for performing either quantitative or qualitative research. Within this research design several methods are employed, contributing to answering the research question. The methods are discussed using literature in this section, further on in this chapter the implementation of the methods is discussed.

#### 3.3.1 Literature study

Available literature on the strategies of property developers, or their business models, is limited (van Mierlo, 2010). However several sources do describe the developments in the field of property development in recent years. Through performing a literature review, describing and evaluating the (most important) existing body of knowledge on a certain topic (Elling et al., 2005), an answer is provided to the first sub question. Based on this initial literature review, an approach for a literature study answering the second, third and fourth question was formulated.

Through categorization, *“a major component of qualitative data analysis by which investigators attempt to group patterns observed in the data into meaningful units or categories”* (Given, 2008), of the changes discussed in the initial literature review, an overview of 9 changes was made (Appendix A), which are discussed in chapter 4.

Furthermore a literature study is performed on the existing body of knowledge on business models, from which a model is created for the application of this research. *“A model is an abstract representation of the thing being modeled”*, more practically two criteria provide insight into what a model is, that it has ‘variables’ and a ‘relation’ between these variables (Ritchey, 2012). The model and its construction are elaborated upon in chapter 5.

The chapters 2,4 and 5, based on the literature study, will form the theoretical framework, on which the following parts of the research are based.

#### 3.3.2 Survey

The goal of this research is to generate information on the possible influence of the GFC on property developers in the Netherlands. Generalizability of information is an important aspect in this, as collecting information from all members of the population of property developers is unfeasible within the scope of this thesis. Generalizability can be achieved through gathering information from a representative sample (Bryman, 2012). Although different methods such as structured interviewing can provide relevant data, for this thesis the self-completion questionnaire has been selected because of several distinct characteristics. Self-completion questionnaires are cheap to administer, quick to administer, no interviewer variability can occur, no interviewer effects can occur and they provide convenience for respondents. Downsides to this method are that it is not possible to prompt or probe, that the response rate can be low and that a limited amount of questions can be asked (Bryman, 2012). These aspects are relevant for the survey design.

The survey was accompanied by a cover letter (in an email, see Appendix B), which clearly states the purpose of the research and the question that this thesis aims to answer. In order to improve the response rate, the letter states that a brief overview of the results, as well as a copy of the thesis, will be sent in return. The results of this thesis are potentially useful for respondents, stimulating the willingness to respond.

In order to keep the time required to a minimum and therefore increase the likely completion rate, it would be beneficial if the survey is as short as possible while still being able to gather relevant information. The goal is to keep the survey between 10-15 minutes to keep the effort required to fill in the survey low. In relation to time it is also important that the respondent can see how far he or she is in his survey, so a reasonable estimate of the total time required can be made. In order to keep the readability and ease of use of the survey at a good level it is important not too much information or too many questions appear per page. By splitting the survey into readable and easily understandable pages the completion rate can be kept as high as possible.

### 3.3.3 *Semi structured interviews*

One of the features of social science is that unlike natural science, where meaning cannot be attributed to the environment, meaning *is* attributed by people. In this regard it is typical for qualitative researchers to commit themselves to seeing the social world through the eyes of those observed (Bryman, 2012). Often students for instance expose themselves to practice through for instance an internship, which can help them better understand the context and characteristics of what they are researching. As the author of this thesis did not have the possibility to achieve such exposure during graduation, a different method would have to be employed. Particularly during data processing and drawing conclusions such an understanding could contribute to research quality.

Semi structured interviews can provide 'rich, detailed answers', furthermore the ability exists to continue asking questions if the relevant information has not yet been provided. It is important not to mistake interview questions for research questions however (Bryman, 2012). Semi-structured interviews were conducted to contribute to the understanding and insight of the author into the population of research. Furthermore interviewees could explain certain results that seemed unlikely or unclear. For these interviews the 9 trends, see Table 4-2, have been used as the framework to discuss changes in the contemporary business practice of developers. During the analysis of the implications of trends in paragraph 0, the information from the interviews is added to provide additional insight into the described results.

### 3.3.4 Research design

The methods employed and the steps taken in this research design are visually represented in Figure 3-2.

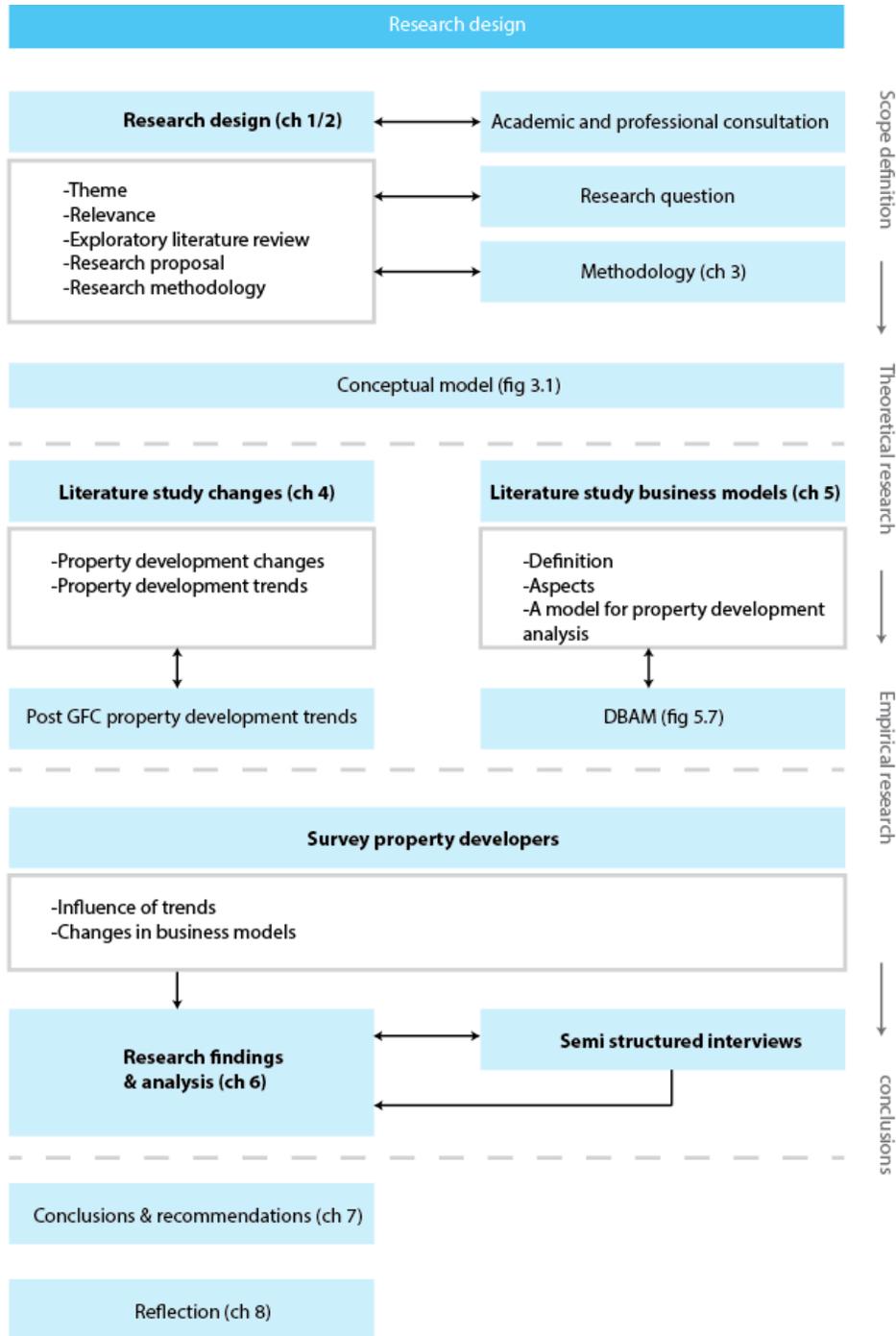


Figure 3-2 Research design (own ill.)

### 3.3.5 Data processing

#### COLLECTOR

The TU Delft provides student accounts for the Collector survey system when requested. As many survey software programs online do not allow for either the amount of recipients or the length of the survey required for this research, the choice was easily made. Furthermore the Collector software allows for exportation directly to SPSS and many other software packages. Another useful feature is to send personalized emails based on name, gender, etc.

#### SPSS

In order to process the quantitative data gathered in the survey the SPSS software package is used. The software has many types of analysis and tests available and is commonly used for progressing statistical data. Furthermore the survey software allowed for direct importation into SPSS.

Data that is collected will be presented in varying ways. As the amount of sectors, combined with typologies and 9 different trends results and a large degree of variables. Furthermore the categorization of sectors is not exclusive, respondents can be active in multiple sectors. Specific graphs are used to explain the data from different angles.

- Bar charts will be used to show the scoring per respondent, per typology (see Figure 3-3)

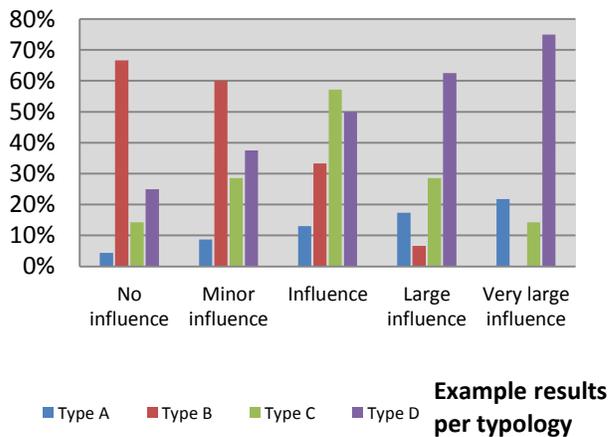


Figure 3-3 Example results per typology (own ill.)

Other data will be presented through commonly used tables or graphs, requiring no further elaboration.

#### ATLASTI

In order to process the qualitative data gathered from the survey the AtlasTI software is used. AtlasTI is used to code the different results in a structured way. Data can be exported from Collector in such a way that it is immediately usable in AtlasTI. The software is made available by the TU Delft. The results of coding can be found in Appendix E.

Coding has been performed to identify both the influence trends have had on business models, as well as changes that have taken place within the business model. Therefore the two coding lists can overlap for different answers, but not necessarily do so.

For the influence trends have had on property development the heterogeneity of answers is very large. In order to retain usability of coding and following information, all influences on business models that are only mention once are excluded. This implies that all changes that have *at least* occurred twice are mentioned as a code and described in chapter 6. Furthermore it is possible that a single respondent mentioned more than one influence, resulting in multiple codes per response.

For the changes that have taken place in the business model, results were coded according to the business model component the related change has taken place in. A change is only coded in 1 category.

The coding itself has been performed by initially reading through all relevant responses. A list of codes was then formed until the list covered all responses. This coding trajectory has been performed for both the influence of trends, as well as the changes originating from trends.

### 3.4 POPULATION

The population of this research consists out of ‘small’ and ‘medium’ sized firms, active in property development. The definitions of small and medium enterprises are further elaborated in Table 3-1.

Company category	Employees	Turnover
<b>Medium-sized</b>	< 250	≤ €50 m
<b>Small</b>	< 50	≤ €10 m
<b>Micro</b>	< 10	≤ €2 m

Table 3-1 Company categories (EU, 2003)

In total the amount of property developers can be identified from both the chamber of commerce(KVK, 2015) and the CBS(CBS, 2015a). Where the chamber of commerce reports slightly higher numbers, as the CBS consolidates some of its classification under a different category. The respective reported amounts according to both sources can be found in Figure 3-4. The number reported by the chamber of commerce will be used as representative of the total population.

The amount of jobs lost in the sector (de Zeeuw, 2011), potentially resulting in a temporary lower amount of employees because of market circumstances, combined with the typical capital intensive nature of property development with varying revenues during the GFC (van Mierlo, 2010), the 5-9 employee can be expected to have belonged to the small category in the past, belong to the category now because of turnover data, which is unavailable, or potentially again in the future when recovery takes place. These firms can reasonably be expected to fall into the ‘small’ category. This makes the total population of this research a total of 217 property developers, based on .

Although the amount of developers in the population (n=217), based on the KVK (2014), of this research is small compared to the total population (n=6384), their relevance is not. Larger firms are responsible for the majority of real estate development in the Netherlands. The 50 ‘small’ and ‘medium-sized’ firms that are members of NEPROM, the Dutch association of real estate developers, contribute a total of 50% of the housing supply, 70% of offices and 80% of retail space (NEPROM, 2015).

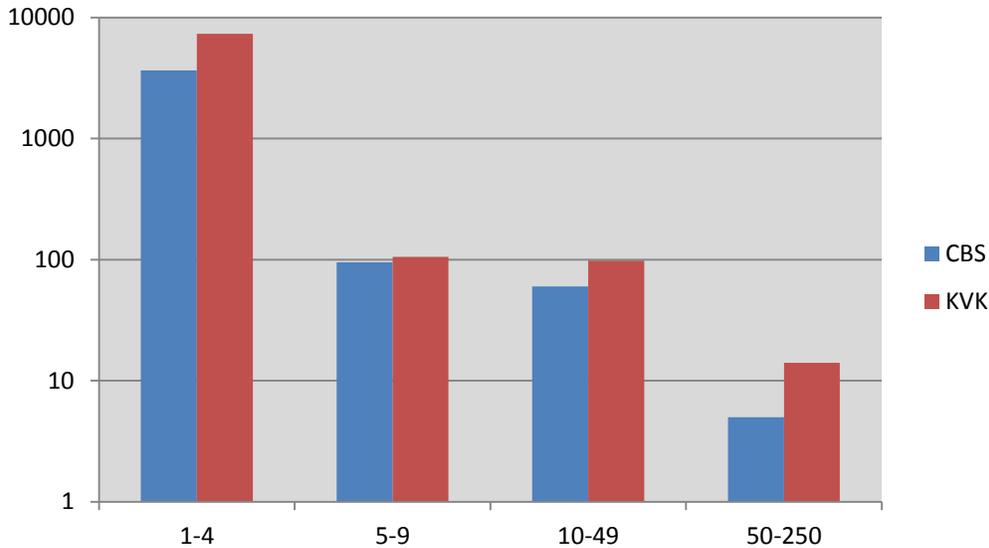


Figure 3-4 Property development firms in the Netherlands according to amount of employees (CBS, 2015a; KVK, 2015)

### 3.5 SAMPLE

Considering the population size of the research, the aim is reach as large a part of the population as possible. Ideally the survey would be send to all property developers. As the nature of questions is about strategic changes, the information that is to be gathered should preferably be answered by a member of the board of directors of the firm, as the board of directors is in charge of the strategic management of a firm.

No data file, or organization willing to give one, could be identified providing the contact information of board members of property development firms within population. Instead a list has been created of property development firms likely to fall into the population, and their relevant board members. This list has been created using the following information:

- The 'Who is Who' available through the 'Property NL' was used to compose a list of members active in the categories developer and investor/developer (PropertyNL, 2015)
- The NEPROM member list was used to find addresses through corporate, or other, websites (NEPROM, 2015)
- The lists of the 101 most successful developers was used to find addresses through corporate or other websites (PropertyNL, 2013)

This process resulted in a total 254 email addresses of relevant employees from a total of 153 property developers. Four recipients replied to have received the survey as well as their colleagues and that only one of them would complete the survey. Furthermore the survey was filled in by the same company twice, after which the double was removed based on completeness of survey answering. Five firms replied that the recipient was either unavailable or that they did not have sufficient time. Based on the information property developers fill in, not all respondents are part of the population and are therefore excluded from the survey.

In total 85 (Response rate: 56% of firms approached) responses were gathered of which 73 were fully completed (completion rate 86%). After removing responses not part of the population of this research, a final sample size of 53 responses, from 53 developers in the 'small' or 'medium-sized' category, was collected, which is 24 % of the population.

Developers were approached using an automated email sent through collector. The mails were personally addressed to increase the likelihood of response.

- The first email was sent on the 6<sup>th</sup> of March 2015.
- A reminder was sent on the 17<sup>th</sup> of March 2015
- The survey was closed on the 30<sup>th</sup> of March 2015

## 3.6 RESEARCH QUALITY

### 3.6.1 Quantitative validity

The convention in social science is to use a confidence level of 95%, this percentage explains how often the population would select the answers within the confidence interval. The confidence interval is also known as the margin of error, which is often targeted to be around 5% (Bryman, 2012).

The standard error of the sample that has been collected (n=53), considering the population (n=217) and a confidence level of 95%, the resulting standard error is 11.73%. This implies that the results for the entire population based on this sample could deviate 12% from the reported values with 95% certainty.

Another relevant aspect to quantitative data is the use of means and standard deviations, in relation to the Likert scales that were used in this research. Calculating mean values or standard deviations require steps that are not appropriate for ordinal data (N., 2003), which implies the mean and standard deviation of a Likert scale will not yield valid results. Using Likert data in such a way does not lead to results that are incorrect however (Norman, 2010), nonetheless the interpretation is handled with care. The mean and standard deviation are used in combination with medians and other representations of data and only for indicative purposes.

### 3.6.2 Qualitative aspects

For qualitative research the following aspects can be taken into account regarding research quality (Groat & Wang, 2002):

- Credibility: which is establishing the 'truth' value, which can be improved through triangulation
- Transferability: the usability of results for other studies, which can be discussed
- Dependability: how consistent data has been obtained and dealt with, improved through proper documentation
- Confirmability: data and its interpretations should be confirmable, can be improved through proper documentation and triangulation

In order to support the research quality a few key aspects are interpreted from these 4 points. Triangulation using different methods, confirming findings can be used to improve credibility, this is done through the combination of a Likert question and a paired open question in the survey.. The research findings should be well documented and added in the appendix, to allow others to make use of data and findings, which is done through including relevant information at the end of this document. The process of research and the interpretation of data should be well documented, to improve dependability and confirmability, which is done through this methodology chapter, adding relevant information when dealing with interpretation and adding items such as the coding log.

The qualitative aspects are taken into account in this thesis, and are reflected upon in the reflection of this report.

## 3.7 SURVEY DESIGN

### 3.7.1 *Feedback and adaptations*

In order to improve the final quality of the survey and to prevent major or minor errors in the survey several test runs were conducted. Initially the survey was tested only by the author. After an initial version was created the survey was reviewed by both supervisors. The most important points that came forward from this review led to the following adaptations:

- Trend descriptions were made shorter as their length impacted the flow of the survey
- Trends have become more objective as sometime there was a subjective tendency
- The survey was made shorter as it was too long for the estimated time
- Language was made simpler and more understandable as the amount of jargon was too high
- Several minor adjustments on questions to improve readability

After adaptations a final spelling control was performed. Finally the surveys were sent to the target group.

### 3.7.2 *Questions & structure*

The survey is described below and can be found in 0.

#### GENERAL INFORMATION

The first set of questions of the survey provides answers to the categorization and selection criteria of the research.

Q1 - How many employees does your firm have? (Multiple choice)

Q2 – In which developer typology would you place yourself? (Multiple choice)

Q3 – In which of the following sectors is your firm active? (Multiple choice)

Q4 – Was your firm active before 2008? (Yes/no)

Q5 – Do you expect your company to still be active in property development in the future? (Yes/no)

The categorization from which respondents could choose in Q1 is based on the categories the CBS

(2014) uses for businesses, including property developers. The categorization from which developers could choose in Q2 is based on the type of developers Nozeman (2008) has specified. The options for sectors are based on the sectors typically described by real estate related firms or agencies such as JLL (2014)

At the end of the survey the respondents were asked if they could be approached and if yes what their contact information was.

### **TREND INFLUENCE AND BUSINESS MODEL ADAPTATIONS**

Each of the 9 different trends that were identified through the literature study will be described and questions on the specific trend were asked. Each trend and matching questions were asked on a different page. The questions were asked according to the following format:

Trend description (maximum 2 lines).

Q1 How do you rate the impact of this trend on your business model? Likert scale(no impact, some impact, impact, high impact, very high impact)

Q2 What has been the main consequence of this trend for your business model?(The answer may be short and in keywords)

When additional information on trends was relevant or required multiple choice questions were added to the standardized format above. This happened for the Emphasis and Sustainability trends.

### **ADDITIONAL TREND RELATED INFORMATION**

In order to give an indication towards the relevance of the identified trend an additional question was added where developers could indicate if they expected the trend to remain relevant. Furthermore a question was asked whether the respondent believes a trend was missing and what this trend has been. This allows for the identification of a potential trend that was not identified through the literature study.

Q1 Which of the following trends do you expect to remain relevant in the coming 10 years? (Yes/no for all trends)

Q2 Are there trends that are not included here and that are missing according to you? (open question)

### **BUSINESS MODEL ADAPTATIONS**

The final questions in the survey were focused on gathering additional relevant information on business model adaptations. Respondents were asked how they would rate the changes in the different aspects of their business models. Finally they were asked what they believed to have been the most considerable change since 2008.

Q1 The business model consist of several aspects. How large would you consider the change of the following aspect since 2008. (6 trends, Likert scale: No change, limited change, change, large change, very large change)

### 3.8 SUMMARY

The goal of this thesis is to analyze business model change of property developers as a consequence of contextual changes after the global financial crisis.

This is achieved through:

- Literature study regarding contextual change and resulting trends in property development
- Literature study regarding business modeling, and the creation of a business model analysis tool
- Survey conducted amongst property developers regarding trends and business models
- Analysis of relevant data
- Semi-structured interviewing

# ***4 TRENDS IN PROPERTY DEVELOPMENT***

## 4.1 CHANGES IN THE FIELD OF PROPERTY DEVELOPMENT

### 4.1.1 *Post 2008 property development*

Over the past years several changes have taken place in the field of real estate and area development. After the credit crunch development rights have been re-valued, leading to banks requiring more private equity on investments making them pull back from their role as major funder of development. This financial change has had a major impact on the capacity of property developers (Gebiedsontwikkeling, 2011b; van Joolingen et al., 2009). At the same time the office, housing and retail market have changed. Furthermore the office market is dealing with an enormous vacancy problem (Zuidema & van Elp, 2010), retail has suffered from a major decline in demand and at the same time a focus on fewer locations (NEPROM, 2012b) and housing production has seen a considerable drop, even though the amount of households is growing (Capital Value, 2014). Demographic developments, such as the aging population and decelerating population growth, affect property markets (van Mierlo, 2010). The pre-crisis approach fueled by a supply-driven market (Peek, 2011) seems to have made place for a more incremental demand driven development, resulting not only in smaller developments but a stronger focus on for instance cities instead of under pressured areas (de Zeeuw, 2011; Peek, 2012). A shift in the public private balance of property development is putting more pressure on private parties as the role of public parties is declining in the Netherlands (Heurkens, 2012). Finally sustainability, as in many areas, is having an influence on both the private and public side of development (van Mierlo, 2010).

These changes are part of the context in which business is conducted by property developers in the Netherlands. By analyzing the different categories of change more in depth, certain trends can be identified that potentially impact property development business models.

### 4.1.2 *Identified changes*

A variety of changes in the field of property development after the financial crisis have taken place. Based on the work of several authors discussing change in the field of property development in the Netherlands (Franzen & de Zeeuw, 2009; Peek, 2012; Putman, 2010; ten Brink, 2013; van der Ven, 2011; van Mierlo, 2010) 9 categories of change are identified, representing the changed field of Dutch post GFC property development. This study resulted in the categorization found in Table 4-1, of which a more extensive version can be found in appendix A.

	Putman 2010	Mierlo 2010	Peek 2012	Franzen de 2008	and Zeeuw	van Joolingen and Franzen 2009	van Ven 2011	der Ten brink 2013
<b>Financial</b>	x	x	x	x		x	x	x
<b>Office market</b>	x	x	x	x		x		x
<b>Retail market</b>	x	x	x	x		x		x
<b>Housing market</b>	x	x		x		x	x	x
<b>Size and location of developments</b>	x	x	x				x	
<b>Supply to demand driven market</b>	x	x	x				x	
<b>Demographic changes</b>	x	x					x	
<b>Public-private roles</b>	x	x		x		x	x	
<b>Sustainability</b>	x	x	x	x			x	

Table 4-1 Categories of change

## 4.2 FINANCIAL CHANGES IN REAL ESTATE

### 4.2.1 Changes

Capital is widely acknowledged to be scarce in the years after the financial crisis. In real estate capital related problems are further amplified by the property market. The value reductions in the sector affect the securities of loans leading to increased risks for projects. In order to prevent amortization banks prefer to use available liquidity for the refinancing of existing loans. Only after securing existing loans will banks be willing to consider new investment. This locks existing project owners in place, putting banks in a leading position during renegotiation (Kerste, Poort, Risseeuw, & Rosenboom, 2011). According to the Nederlandsche Bank, the Dutch central bank, the financing of commercial real estate is in general an activity with considerable risk. This shows in the amount of loans that require refinancing: of the total amount of 80 billion euros of outstanding real estate loans, 60% will need refinancing in the coming years (DNB, 2013).

The deficiencies in financial regulations that became evident after the financial crisis of 2008 have led to the Third Basel Accord. This accord formulates stricter capital requirements for banks, strengthening their equity buffers. These additional reserves could be realized by banks retaining their profits, issuing shares or reducing certain activities (van Ham, 2012). As a result of such measures a shift will take place towards less risky developments, simultaneously risk premiums will increase (Kerste et al., 2011). This increases the demand of equity for developers, this is however not always possible or desirable (Rietberg, 2012).

The increase of risk premiums and the decreased willingness to invest by banks has increased the interest in alternative ways of financing projects. The private capital market has seen growth over the past years which could potentially contribute to real estate development. Crowdfunding or the issuing of stock for private capital could provide alternatives for financing. The difficulty for both private parties and controlling agencies such as the AFM to assess risks makes such ways of financing difficult however (Meeuwssen, 2013).

### 4.2.2 Impact on property development

The main implications in the financial category are:

- As a result of stricter regulation, capital availability from banks for real estate projects has decreased (Kerste et al., 2011)
- Potentially private equity, crowdfunding or the issuing of stock could provide alternatives, these sources face difficulties however (Meeuwssen, 2013)

From these changes the trend can be identified that *it has become increasingly difficult to organize capital for Dutch property developers.*

### 4.3 PROPERTY MARKETS

The economic crisis has had considerable effects on the property markets over recent years. Investments dropped and several structural issues were laid bare. There are signs of recovery however as the amount of investments in real estate in the Netherlands is increasing. Even though the prospects and consequences of the economic crisis are considered influential, the total investment in real estate in 2014 has reached the second highest level since 2000, Figure 4-1. Positive sentiment and foreign investors have led to increasing investments in real estate(DTZ, 2015a).

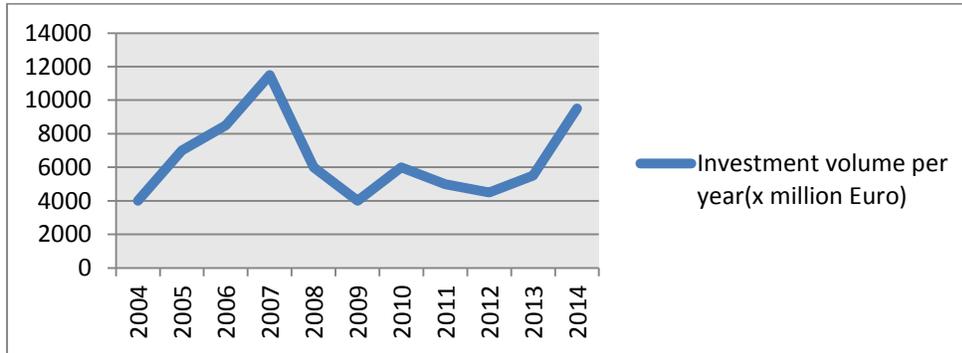


Figure 4-1 Real estate investment market Netherlands, based on DTZ (2015a)

#### 4.3.1 Changes Office market

As can be seen in figure 3.2, the amount of space left unused in the office market has increased considerably. From a position just before 2000, when there was a shortage of office space, a building boom emerged in the early years of 2000. With a small economic downturn in 2002 and 2003 and a large amount of new office stock entering the market the supply overshoots. Although the workforce grows again after 2003, the office demand does not, partially due to the introduction of more efficient space usage methods (EIB, 2012). When the economic crisis hits unprecedented amounts of vacant space hit the office markets (Zuidema & van Elp, 2010).

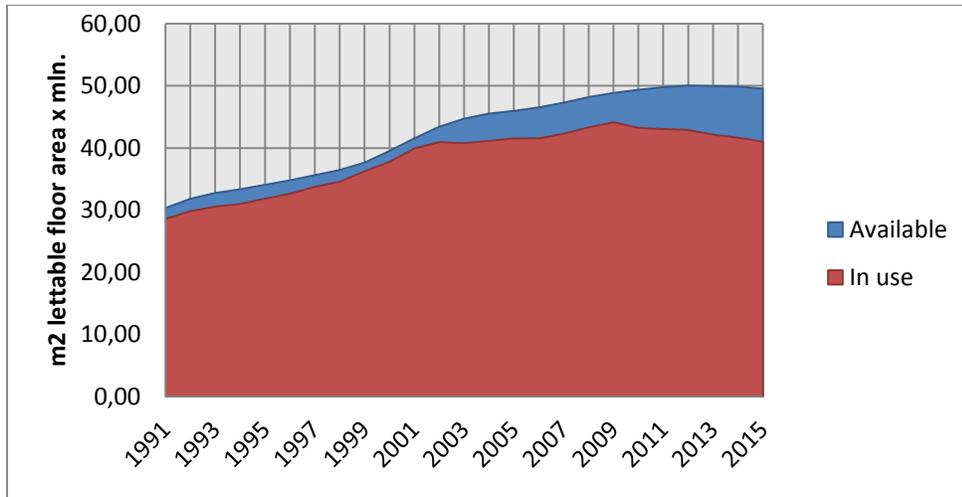


Figure 4-2 Office supply and used space in the Netherlands, based on PBL (2015)

Furthermore many buildings are no longer up to contemporary quality demands making their future use as office very unlikely. The total amount of vacancy is around 15%, including hidden vacancy as much as 25%(AOS Studley, 2014). Projections are that the amount of office jobs is not going to increase in future years, see figure Figure 4-3, further emphasizing the structural oversupply. These structural issues have caused the realization demand should take a much more important role in development(Neprom, 2012a).

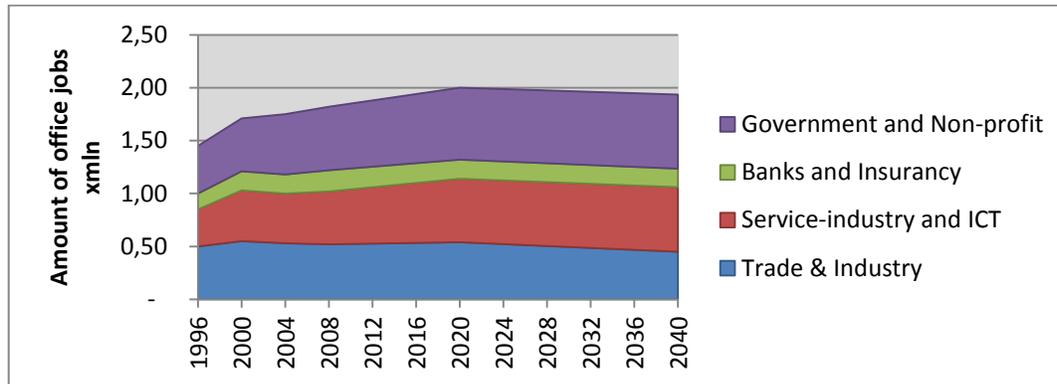


Figure 4-3 Projection office jobs in the Netherlands, based on EIB (2012)

### 4.3.2 Impact on property development

The main implications in the office category are:

- A building boom in the early years of 2000, combined with economic downturn, have led to an oversupply of offices (Zuidema & van Elp, 2010).
- The amount of office jobs is slowly decreasing and space is used increasingly efficient through new concepts (EIB, 2012), reducing office space demand.
- Existing buildings do not always live up to contemporary qualitative demand (AOS Studley, 2014).

From these changes the trend can be identified that *economic conditions, as well as changing office concepts, such as 'new ways of working', have led to a smaller and changing demand for offices*

### 4.3.3 Changes retail market

The retail supply has been growing at a steady rate of almost 2% per year since 2000. This seems to have flattened out in recent years and the supply is slowly adopting to the conditions of recession and increasing vacancy (Locatus, 2014), see Figure 4-4.

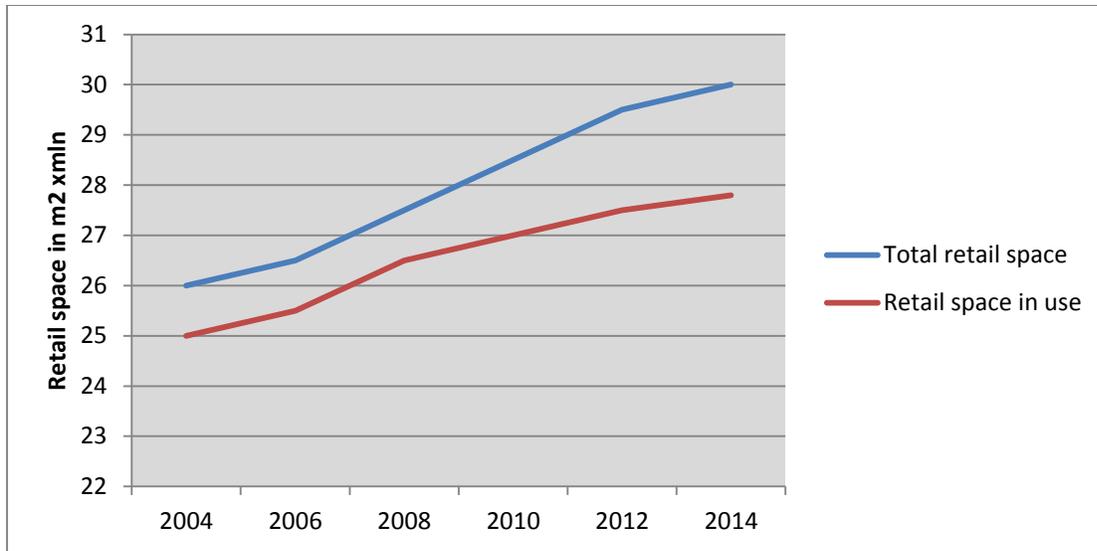


Figure 4-4 Retail space in the Netherlands, based on PBL (2015)

The developments regarding internet and retail are becoming of growing importance. The amount and share of internet purchases is growing each year as can be seen in Figure 4-5.

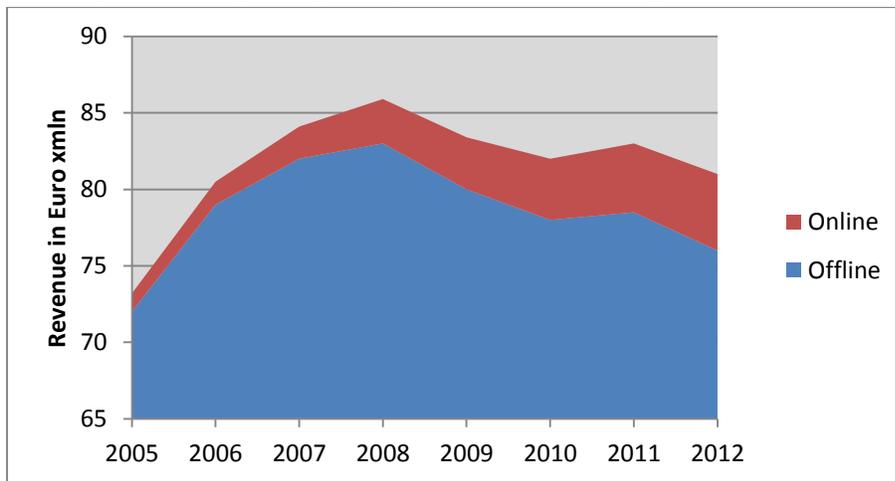


Figure 4-5 Online vs offline retail revenue, based on ABN AMRO (2015)

A trend can be identified of increasingly large scale retail areas and decreasingly smaller scale retail facilities. Small municipalities might not always be able to support all retail facilities, furthermore competition between inner city retail and outer city retail can lead to decreased quality for both, which is undesirable. Retail stores have to increasingly compete with other sales channels, making the added value of the ‘experience’, leisure and other qualities important (NEPROM, 2012b). The integration of leisure and retail and the emphasis on the ‘experience’ are likely to be the focus of new developments, or existing centers being redeveloped, to improve competitiveness (Bosselaar, 2010).

### 4.3.4 Impact on property development

The main implications in the retail category are:

- Retail demand is slowly flattening out and vacancy is increasing (Locatus, 2014)
- Other sales channels such as online retail are increasingly competing with retail stores (ABN AMRO, 2015)
- The ‘experience’ is of increasing importance to improve competitiveness (Bosselaar, 2010)

From these changes the trend can be identified that *changing consumer behavior and internet retail cause a lower and changing demand.*

### 4.3.5 Housing market

The crisis has caused a considerable reduction in the amount of housing that is delivered annually. In 2009 the annual production consisted of a total of 80.000 housing units, while in 2013 this number has more than halved, to a historically low amount of 35.000. In 2014 the market seems to be climbing out of this low with a production of a little over 40.000. The expectancy after this period is that an amount of 60.000 dwelling will be realized per year (Capital Value, 2014). The amount of issued housing permits supports this climb in production, see Figure 4-6.

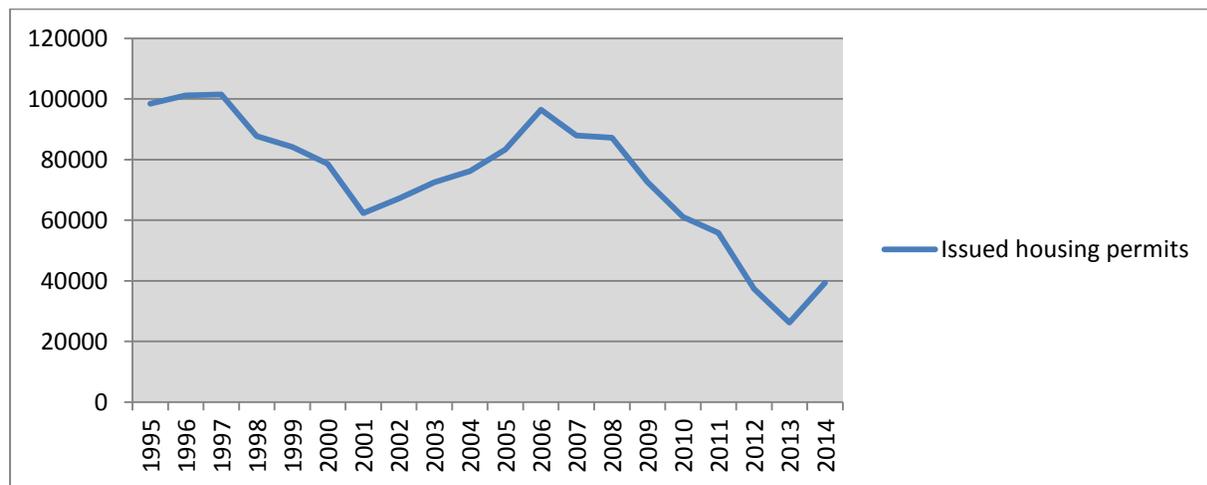


Figure 4-6 Issued housing permits, based on CBS (2015d)

What is particularly notable about the housing market is that the amount of households has seen a steady climb, because of decreasing household size, see Figure 4-7, and a small population growth, and that the shortage of housing up to modern demands is expected to grow as is illustrated in Figure 4-8. In Amsterdam for example the shortage is 4% at the moment but is estimated to grow to 8% in 2020. House pricing has undergone a considerable correction in recent years. From a peak in 2008 the average house price has dropped to a new level 20% lower in 2012(Capital Value, 2014).

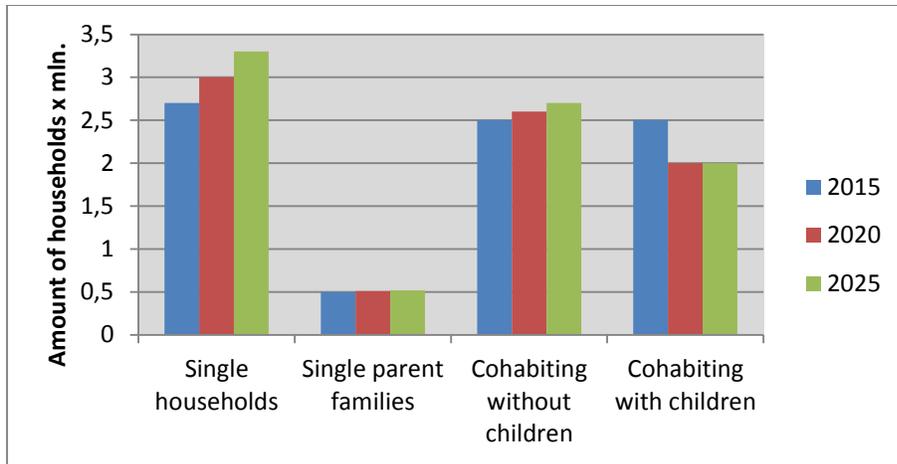


Figure 4-7 Prognosis amount of households in the Netherlands, based on BPD (2014)

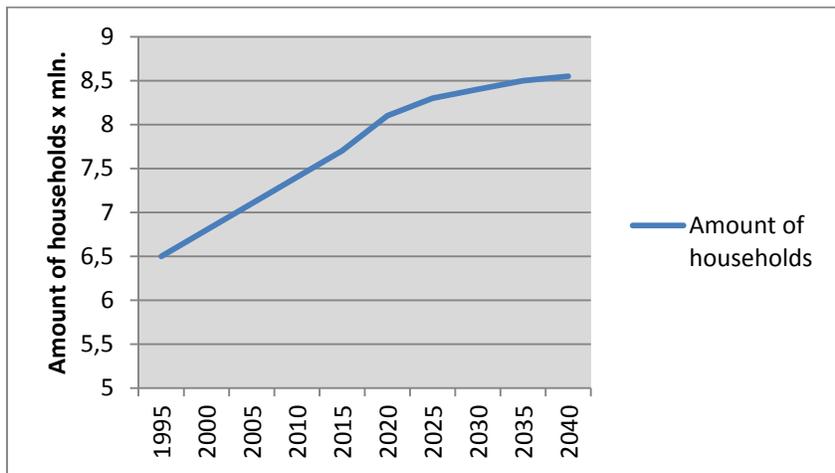


Figure 4-8 Amount of households, including prognoses, based on (MBZ, 2014)

With financing being a considerable issue the amount of houses being build is low but with a demand that has continued to rise there are likely to be opportunities for development in the future. Prognosed ‘residual demand’, which is demand that exceeds supply, seems to exist in all regions in the Netherlands. The largest part exists within cities, however outside of cities the demand is still considerable as well (Poulus, van Leeuwen, Omtzigt, & Heida, 2013). Figure 4-9 shows the residual demand per region, Figure 4-10 shows the total amount of residual demand.

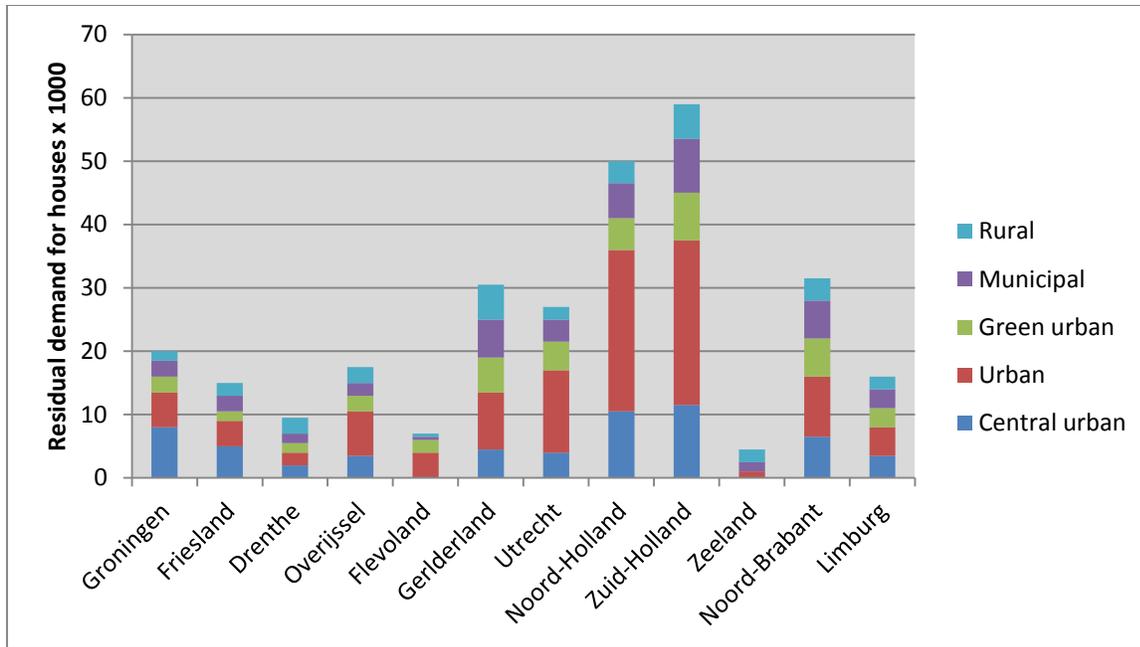


Figure 4-9 Residual demand in region and typology up to 2020 (Poulus et al., 2013)

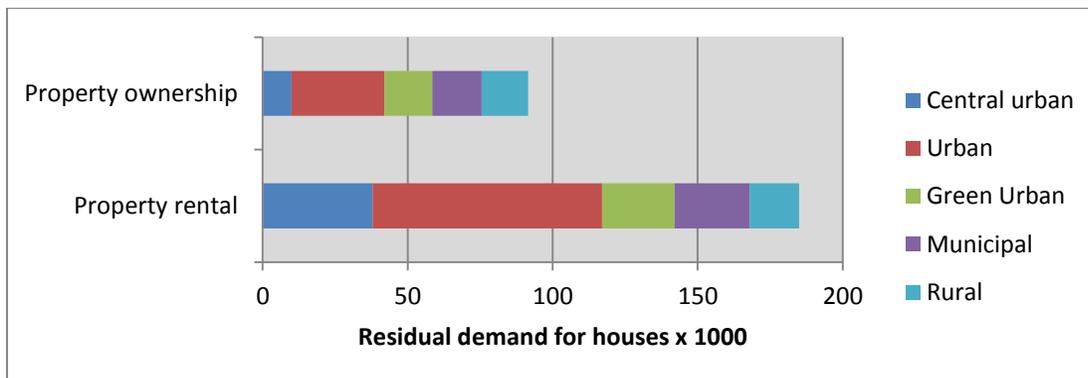


Figure 4-10 Rental and ownership residual property demand, (Poulus et al., 2013)

### 4.3.6 Impact on property development

The main implications in the housing category are:

- The production of housing has decreased by more than half during the GFC, levels are expected to stay lower in coming years (Capital Value, 2014)
- The amount of households in the Netherlands is expected to grow by another 1 million until 2040, because of population growth and decreasing household size (MBZ, 2014)
- Prognosed ‘residual demand’, the mismatch between supply and demand, until 2020 is expected to be around 280.000 housing units

From these changes the trend can be identified that *although production has been low in recent years, smaller households and population growth still lead to demand for houses.*

## 4.4 CHANGING DEVELOPMENT EMPHASIS

### 4.4.1 *Size and location of developments*

The maximum addition of to the real estate supply per year has been only about 1% of the total supply. With the halting of new production and a diminishing demand for new real estate the challenge is increasingly focused at the existing supply (Peek, 2012). Developments of the largest scale are unlikely to return at their former pace. A focus on existing areas and with client demand in a more prominent place are likely to be the future of project development (ABN AMRO, 2014).

(1) Financial risks, (2) a corporate role from public parties excluding the citizen and (3) the realization that within large projects small changes to subprojects are often made without taking into account the greater whole, have led to the reconsideration of the planning style in the Netherlands. Instead an incremental 'organic' approach is suggested in which municipalities take on the role of guarding and planning the bigger picture while small adaptations are made (Needham, 2014). Such a method would be more appropriate for the redevelopment of areas and would allow projects to have less risk.

Closer collaboration with other actors in areas could provide a way of regenerating urban areas under changed circumstances. Within this existing supply the collaboration between for example (semi-) public housing parties and private developers and investors is under investigation. Kazemi et al. (2009) conclude that although the added value of collaboration in urban restructuring is hard to prove the advantages seem to be there. Risk sharing, organizational aspects and marketing are named as advantages. Such collaboration could provide projects for the private sector within the focus of the existing stock.

The amount of redevelopment in urban areas is going to increase with the end of the VINEX-locations in sight. As discussed in 4.3.5 the demand for housing in urban locations is increasing. This increases the complexity of locations considerably, leading to higher required investments for development. Such projects require different capacities and characteristics of developers (van Mierlo, 2010).

### 4.4.2 *Impact on property development*

The main implications in the size and location category are:

- Focus on existing supply is increasing (Peek, 2012)
- Developments are becoming of smaller scale (ABN AMRO, 2014)
- Incremental development would decrease risk and is better equipped for redevelopment (Needham, 2014)
- Focus is increasingly on redevelopment in urban areas, increasing complexity (van Mierlo, 2010)

From these changes the trend can be identified that *property development is shifting towards more complex urban areas, furthermore the scale of developments is decreasing.*

### 4.4.3 Supply to demand driven development

With rising vacancy and a decrease in transactions, the real estate market is faced with some considerable issues. Whether it is the office market with an oversupply, the retail market with a shifting strategic focus or the housing market lacking investments, there are problems. In order to get financing developers are faced with a challenge to minimize risk for investors with for example a higher equity demand and by creating lower risk developments (ULI, 2011). One of the potential solutions of dealing with the challenge of making speculative development less risky is securing uptake.

As both users, such as companies and consumers, and clients, such as investors and users, are becoming more demanding and critical, the focus of developers is making a shift towards demand. Because of an increased difficulty in financing and a decreasing overall demand the traditional approach where the focus was on realization and development rights seems to be more and more of the past (van Mierlo, 2010). The building industry will focus more on demand by allowing more input from the client or collaborating with clients (Nusselder, 2014).

### 4.4.4 Impact on property development

The main implications in the supply to demand driven development category are:

- Property developers need to reduce risk to secure capital (ULI, 2011)
- Clients are increasingly critical and overall demand is decreasing (van Mierlo, 2010)
- Clients will likely have more input and more collaboration will take place (Nusselder, 2014)

From these changes the trend can be identified that *the client and end-users are increasingly important for development making the orientation of market parties focused more on demand rather than supply.*

## 4.5 DEMOGRAPHIC CHANGE

### 4.5.1 Aging population

Population growth is increasingly lowering (CBS, 2015b) and the average age is increasing. Figure 4-11 and the expected demographic development in the Netherlands over the coming years. At the same time in certain areas in the Netherlands the population is shrinking, while others are still growing. The difference between these areas is increasing (Beukering, 2008). Up to 20% of municipalities is expected to be faced with a shrinking amount of households until 2025 (van Mierlo, 2010). Main cities such as Amsterdam, Rotterdam, Utrecht and The Hague will still have a significant growth of population (BPD, 2014).

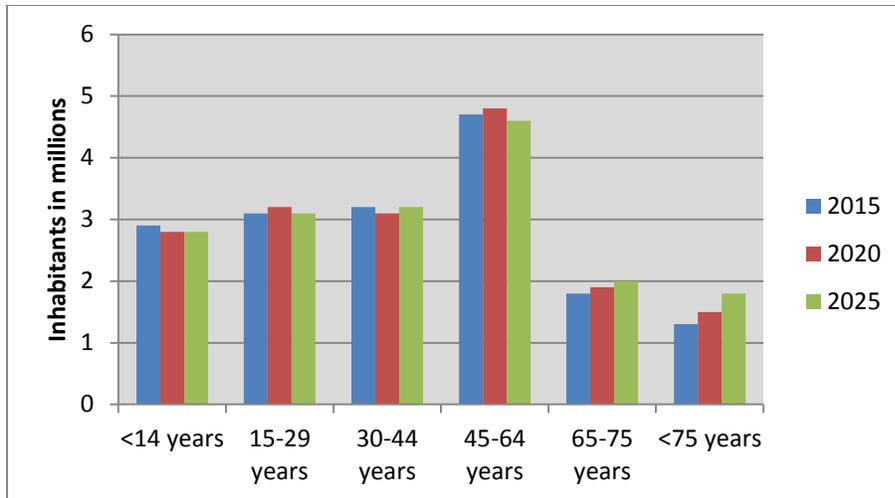


Figure 4-11 Prognosis age development of population in the Netherlands, based on BPD (2014)

#### 4.5.2 Impact on property development

The main implications in the demographic category are:

- The average age is increasing, particularly as the amount of people older than 75 is increasing (BPD, 2014)

As household size and population growth are also included in the housing trend a more specific trend, complementing the housing trend, is *the population in the Netherlands is aging*.

### 4.6 PUBLIC PRIVATE ROLES

#### 4.6.1 An increasing private role

In total municipalities in the Netherlands have taken a loss of 5.4 billion Euro since 2007 on their development rights (Deloitte, 2013; Fakton, 2015). This has caused considerable debate about the future of municipal land development companies. Besides this loss the multitude of regulations and control measures aimed at improving the quality of the built environment have made development too complex. Increasing land and property values compensated for extensive procedures and processes, which is no longer justified in the current market. Public parties realize their role will have to change (de Zeeuw & Feijtel, 2013).

Furthermore the historically present Rhineland values are increasingly making way for Anglo-Saxon values in society. Such values imply an emphasis on free market mechanism and put public parties in a more limited controlling role. Under the current financial conditions in urban development such values are further emphasized as public parties have decreased possibilities to finance projects. Finally the increasing size of networks and accompanying complexity of projects provides challenges, for which collaboration with private parties is needed (Heurkens, 2012).

As public parties reduce their activities in the development sector more emphasis is placed on private parties. Public parties are faced with the challenge of adopting a facilitating role, in which they reduce their risks and leave more room for private parties (van de Hoef & Lansbergen, 2013). This topic is more extensively discussed in chapter 2.3.

#### 4.6.2 Impact on property development

The main implications in the public private relations category are:

- Municipal land companies have seen considerable losses from development rights (de Zeeuw & Feijtel, 2013)
- Private parties are taking on a more leading role (Heurkens, 2012; van de Hoef & Lansbergen, 2013)

From these changes the trend can be identified that *public parties are increasingly taking on a smaller role in societal decision-making. In (area)developments a more prominent role of private parties is expected.*

## 4.7 SUSTAINABILITY

### 4.7.1 Increasing importance

Many policies and public agendas include aspects of promoting sustainable developments. CO2 reduction, energy neutral houses or even neighborhoods as a goal are common. In practice however it seems change is only taking place slowly (AgentschapNL, 2012).

More and more sustainable developments are realized in property development however. Sustainable measures are typically implemented in buildings rather than areas. This problem finds its roots both in the public and in the private side, municipalities do not ask for larger scale implementations of sustainable measures, while property developers have not included sustainability in their ways of working (Buskens, 2015). A lack of clear measures and instruments to assess sustainability in a broader sense cause the focus to be on buildings, and certificates such as LEED or BREEAM. The motivation for sustainability can be a decrease in the total cost of ownership, PR and corporate responsibility, improved quality and winning tenders or gaining licenses to operate (van der horst, 2010). A clear advantage for property developers is the increased value sustainable buildings have, which on average increases by 16% (van Doorn, 2012). This ability to translate the added value that often takes place in the future to value at this moment is an important success factor for sustainability (Gebiedsontwikkeling, 2011a). Furthermore the expectancy is that more sustainable developments will come into existence from a bottom-up perspective, rather than from large scale public and private parties (van Bueren, 2015).

In order to find the motivation required for more sustainable development such developments should meet the interests of different involved parties. This can be described according to the 'merger of interests' principle. In this approach people, planet and profit aspects are translated into different desires, allowing for the creation of motivation for sustainable measures on a broader scale than environmental arguments or governmental subsidies (van Hal, 2014).

#### 4.7.2 *Impact on property development*

The main implications in sustainability category are:

- Sustainability is of increasing importance (AgentschapNL, 2012)
- Sustainability can add market value, or lead to the procurement of specific projects for which it is required (van der horst, 2010)
- From a more integrated role sustainability can lead to benefits for all actors, beyond what is required from legislative or subsidy related aspects (van Hal, 2014)

From these changes the trend can be identified that *sustainability is taking on an increasingly important role..*

## 4.8 CONCLUSION: TRENDS OF POST GFC PROPERTY DEVELOPMENT

Based on the analysis of literature on the changes in the field of property development, a set of categories has been formulated on the identified changes. These fields are analyzed more in depth, from which trends were identified. These trends represent the field post GFC property development takes place in. The categories and their respective trends can be found in Table 4-2.

Category	Trend
<b>Financial</b>	<i>It has become increasingly difficult to organize capital for Dutch property developers.</i>
<b>Office market</b>	<i>Economic conditions, as well as changing office concepts, such as ‘new ways of working’, have led to a smaller and changing demand for offices</i>
<b>Retail market</b>	<i>Changing consumer behavior and internet retail cause a lower and changing demand</i>
<b>Housing market</b>	<i>Although production has been low in recent years, smaller households and population growth still lead to demand for houses</i>
<b>Size and location of developments</b>	<i>Property development is shifting towards more complex urban areas, furthermore the scale of developments is decreasing</i>
<b>Supply to demand driven market</b>	<i>Property development is shifting from supply-driven to demand-driven development</i>
<b>Demographic</b>	<i>The population in the Netherlands is aging</i>
<b>Public-private roles</b>	<i>Public parties are increasingly withdrawing from development practices increasing the emphasis on private parties in Dutch property development</i>
<b>Sustainability</b>	<i>Sustainability is taking on an increasingly important role.</i>

Table 4-2 Trends in post GFC property development

# ***5 BUSINESS MODELLING***

## 5.1 WHAT IS A BUSINESS MODEL?

### 5.1.1 Introduction

The term business model made a first appearance already in 1957(Bellman, Clark , Malcolm, Craft, & Ricciardi, 1957) but has only taken on a more profound role in recent years. Business model literature has seen extensive growth from the start of the dotcom boom(Palo, 2014), gaining in relevance in both the scientific and business world. A database (EBSCO)analysis performed by Wirtz, Pistoia, Ullrich, and Gottel (2015) illustrates the considerable growth of the concept, through the use of the term ‘business model’ in literature, see Figure 5-1.

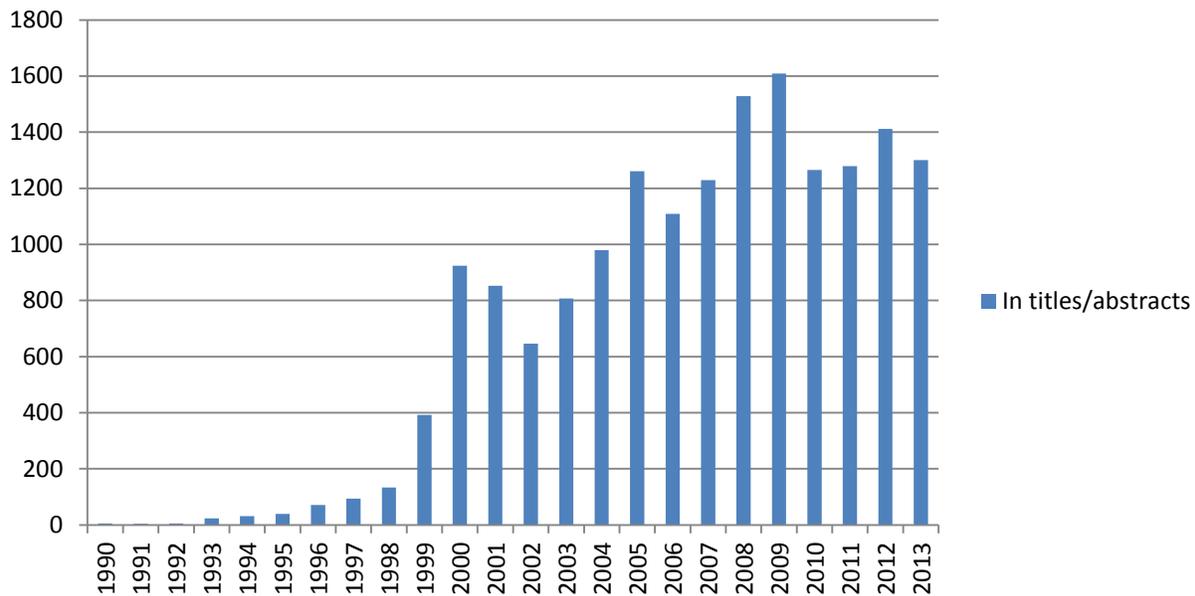


Figure 5-1 Business model term usage in EBSCO (Wirtz et al., 2015)

### BUSINESS MODEL DEFINITIONS

A business model is the mechanism that crystalizes the need of a consumer, that entices them to pay, defines how value is delivered to consumers and how this value is converted into profit through various steps within a value chain (Teece, 2010). It is a generic description of how an organization generates profit through the creation and distribution of value(Baden-Fuller & Morgan, 2010). The business model can be seen as a set of objects and concepts in a certain relation, to each other and to the bigger objective of a firm(Osterwalder, Pigneur, & Tucci, 2005). From a management perspective the business model can be seen as the hypothesis of what consumers want and how they want it, what they are willing to pay and how an enterprise can best organize to meet consumer demand in a profitable way(Teece, 2010). In the book business model generation the following definition is used: “A business model describes the rationale of how an organization creates, delivers and captures value.”(Osterwalder et al., 2010). The work of Osterwalder in particular has seen considerable attention both in practice as well as literature, with amongst others his doctoral thesis(Osterwalder, 2004) cited 1405 times and Business Model Generation(Osterwalder et al., 2010) cited 2544 times, indicating its significant role Osterwalder (2004). The definition by (Osterwalder et al., 2010) is used to describe the term business model in this thesis.

## BUSINESS MODEL TYPOLOGIES

In literature business models are frequently described through the definition of the different components, as an essentialist view of what they are, resulting in simplified descriptions of companies (Doganova & Eyquem-Renault, 2009). Such simplification can result in a focus on particular aspects of business models, leading to different definitions because of their different use.

Such different views can be categorized into 3 typologies (Morris, Schindehutte, & Allen, 2005). The first typology is an *economic* approach, emphasizing the generation of profits with cost structures and revenues as variables. The second typology is an *operational* approach emphasizing the architecture of a company on how it creates value through a business infrastructure. The third typology describes a *strategic* approach, emphasizing the positioning of a company in a market and with certain opportunities.

## THE USE OF BUSINESS MODELS

The use of modeling a business is the ability to classify businesses, their scientific modeling potential and the use as a formula for managers and scholars (Baden-Fuller & Morgan, 2010). The business model is more than a mere formula however and can contain a strong narrative conceptual meaning. This story telling aspect is essential as it explains how the business within a certain world works and what it does (Margretta, 2002). The synergy of the narrative and the calculative aspects of models can be explained as follows: *“the narrative draws a world and justifies the selection of entities to be taken into account; the calculation detaches and associates these entities to create new ones, which are then stabilized and transformed into the characters of the story told”* (Doganova & Eyquem-Renault, 2009).

The modeling aspect combined with the more conceptual side of business models creates a broad range of potential use. A business model can be used as tool for *analysis*, through which characteristics or problems can be identified. Furthermore the models can be used in a *prognostic* sense where they are used to create solutions for problems. Finally a business model can be used as a rationale to stimulate collective action through *motivational* framing (Palo, 2014).

### 5.1.2 The strategic position of business models

Corporate strategy deals with characteristics such as its scope, the business environment of firms, operational choices and the distribution of resources (Johnson & Scholes, 1993). As business models deal with similar aspects of how a business functions, its connection with strategy is self-evident. Business models are not to be confused with strategy however, even though similarities exist.

In order to understand the differences between business models and strategies the following differentiation can be made (Casadesus-Masanell, 2010):

- Business model: refers to the operational process and show how the firm creates value for its stakeholders
- Strategy: refers to the choices made with the business model and how it will compete on the market
- Tactics: the choices a firm can make within a business model

The parts that the business model consists of, within a strategic context, are the concrete choices on the one hand and the consequences of the choices on the other. Every company makes certain choices that have certain consequences, which form a business model. Tactics are the residual choices that are left open after choosing a

business model. They have a crucial role in the value creation and capturing of a firm. In order to explain this concept the example of the newspaper Metro can be used. As an ad-sponsored newspaper it is free for its readers. Within each city Metro uses different advertising rates, different layouts with different amounts of advertisements and different contents for each issued number. These tactical choices are limited by the business model which dictates that the newspaper is paid for by advertisements and is free for the reader. Finally strategy can be seen as a plan of action to achieve a particular goal. The strategy itself is considered as the creation of a certain position that is the goal, in this sense the strategy is what dictates which business model to use to get to that position(Casadesus-Masanell, 2010). The balance between Strategy, business models and tactics can be seen in Figure 5-2.

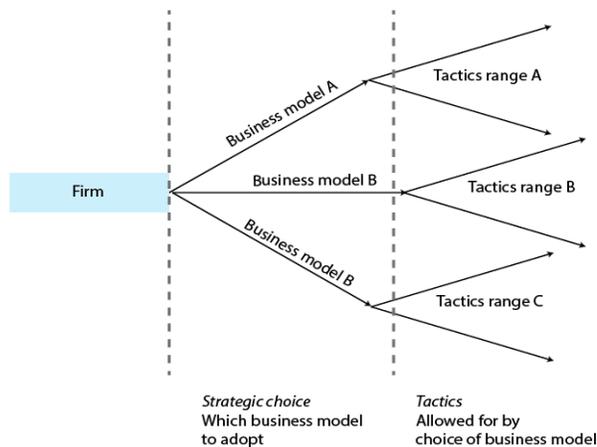


Figure 5-2 Strategy, Business models and tactics(Casadesus-Masanell, 2010)

### 5.1.3 Business models & networks

The business model is part of certain business network, exerting mutual influence(Palo, 2014). Yet the focus is often on the internal aspects of the business, centered on an individual actor(Amit & Zott, 2001; Chesbrough & Schwartz, 2007). Most of the business modeling sources discuss the firm at a single point in time neglecting a mutual influence between the business network and the business model(Palo, 2014). The literature on business models in this sense fails to describe the power of business models to influence the network (Mason & Spring, 2011).

Such relations can be found in other bodies of knowledge however, such as Actor-network theory. With the application of a network perspective the inclusion of other actors can be better described. For example the collaboration described from such a network view could lead to working together on R&D for example resulting in opening new markets(Palo, 2014). An extreme example of a network perspective for a business model is that it is a “network of companies aiming to create customer and network value” (Kijl, Bouwman, Haaker, & Faber, 2005). The business models of different companies in the same network are linked giving the business model a networked aspect. Adopting network characteristic is important as a business model will have links to other business models in the value chain.

### 5.1.4 Business models innovation & alignment

In addition to capturing values from new products or services a business model itself can also be the subject of innovation(Teece, 2010). The importance of business model innovation is recognized as an essential part of corporate functioning(Amit & Zott, 2011). Examples of such innovation would be changing processes and assets or collaboration with different firms to create new values or reduce costs. In general companies are much better at innovating products then they are at innovating their business models(Chesbrough, 2010). The reason for this is that the business already active will potentially undergo hindrance of change while still in function causing damage(Amit & Zott, 2001). Management employees are faced with the need for continuing daily business in an efficient way while business model innovation requires them to allocate resources into exploring other opportunities as well or to experiment with new models. With clear vision and leadership and the allocation of enough resources experimentation with business models can overcome barriers in the firm leading to discovery-driven models(McGrath, 2010).

As explained by Margretta (2002) the business model can take to the role of explaining the businesses functioning through its narrative, which gives the business model a useful role as organizational alignment tool. By communicating to employees what the value is that is to be delivered and how it is to be delivered a better understanding can be created. With the creation of tools such as the Business Model Canvas by Osterwalder and Pigneur (2010) the ideas can be communicated. The implementation of a new business model or a change in the existing one can be thwarted for instance if there is a lack of communication resulting in resistance from managers or employees(Santos, Spector, & Van der Heyden, 2009). This emphasizes the importance of aligning innovations or changes with relevant parts of the business model.

### 5.1.5 The business model as analytical tool

Business models as an analytical tool can be used to describe the static specific business of a company. At the same time its functioning is within a network where it is interlinked with other business models. It has the function of on the one hand showing the technicalities of what is done and on the other hand explaining how this works. When used in the context of analysis the essence of the business model can be summarized by explaining that it is “an analytical device” to understand businesses, that it can be perceived as “a structure and a narrative” with both “temporal and networked” characteristics as can be seen in Figure 5-3 (Palo, 2014). The term structure focuses on the components that make up the business model while narrative is the relation between these components. Temporal means that a business model represents a certain moment or period in time while networked refers to external (mutual) influences of a model.

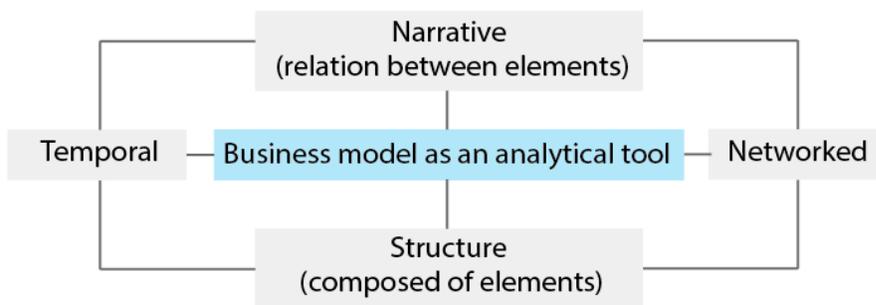


Figure 5-3 The essence of business models(Palo, 2014)

### 5.1.6 Conclusion

Business models provide a simplified representation of the functioning of businesses. A business model can be defined as follows: **“A business model describes the rationale of how an organization creates, delivers and captures value.”**(Osterwalder et al., 2010). Furthermore business models are characterized by several features:

- Can have different typologies: economic, operational and strategic
- Can have multiple purposes: Analysis, prognostic and motivational
- Is selected as part of a strategy and allows for the deployment of a range of tactics
- Is part of a network
- Changes require alignment with relevant parts of the business
- Defines both elements(structure) and their relations(narrative)
- Represents a specific moment(temporal)

## 5.2 TOWARDS PROPERTY DEVELOPER BUSINESS MODEL ANALYSIS

### 5.2.1 *Business models and property development*

Aside from defining what business models are, a further step is required to make use of business model literature with regard to property development analysis. Initial steps have been made in the direction of using business models in the field of real estate (Peek, 2012; Uittenboogaard & Veldman, 2013), furthermore the often used Business Model Canvas has been applied in a thesis on business model regeneration methods in property development (ten Brink, 2013) as well as in a thesis on the potential of urban development trusts (Stumpel, 2014) and a thesis on the possible future business model for urban development (Schouten, 2013). Despite these steps the connection between property development and business models can still be considered a gap in literature.

A model usable for the analysis of property development would have to have a clear footing in the existing literature on business models, as well as be practical in its use, both for communication with practice and being able to translate findings into usable results. A variety of generic business models exist that could prove applicable for the specific purpose of this thesis. However, even though business models such as the one from Osterwalder et al. (2010) have shown to have both scientific as well as practical relevance, this does not provide a decisive answer to the applicability of such models in the field of property development, or specifically for this thesis. Within the field it is recognized that many problems have not yet been solved in the context of business modelling and that a single unified concept is not yet available (Wirtz et al., 2015).

A strong feature of the Business Model Canvas is that it has seen considerable testing in practice (Richter, 2012) and has been created with the aid of 470 practitioners (Osterwalder et al., 2010), underpinning its practicality. At the same time not all aspects discussed as relevant can be found in the Business Model Canvas. Some authors argue that the external environment such as competitors, which are not considered in the model, should also be included (Afuah, 2004; Hedman & Kalling, 2003), furthermore aspects as discussed in 3.1, such as the temporal and networked nature or the alignment with other parts of the business, are not considered in the business model by Osterwalder et al. (2010).

When regarding models from a more theoretical background, based on both the model and its context, other issues emerge. One of the key problems in the field of business model literature is the complexity that emerges because of the many components, which requires additional attention (Wirtz et al., 2015). The V4 business model can serve as an example for this phenomena, the business model itself is comprised out of 4 components, while its context contains as many as 14 components (Al-Debei & Avison, 2010). Although the link towards the environment and the characteristics of the model creates aids to providing a complete picture, it affects the usability of the model in a negative sense.

A single unified model, applicable to amongst others property development, does not seem to exist as of this moment and existing models seem to be characterized by both advantages as well as disadvantages, making the selection of one of the existing models troublesome. This perspective favors the creation of a new model. By designing a model specifically for the analysis of property development business, the usability and focus can be adjusted as desired and a step can be made towards contributing to the field of business models and property development.

In order to come to such a model a strong connection with the existing scientific field and models is needed. As explained in the previous part, business models are often explained from an essentialist perspective, where models are made up of several simplified components explaining the workings of a business. In this chapter

the elements that are used in different models are explored, which form the basis of the new model. Furthermore two existing model will be more thoroughly analyzed. The Business Model Canvas will be explored in its working as well as its proven practicality. To complement the limited amount of context dealt with in the Business Model Canvas the V4 business model will be explored on its working and its broader context. Based on these findings the new model is proposed.

**5.2.2 Business model elements**

Through literature analysis a selection of components can be identified. Based on the works of several relevant authors in the field (Afuah, 2004; Al-Debei, El-Haddadeh, & Avison, 2008; Bouwman, 2003; Demil & Lecocq, 2010; Hamel, 2000; Hedman & Kalling, 2002; Johnson, 2010; Lehmann-Ortega & Schoettl, 2005; Mahadevan, 2000, 2004; Osterwalder, 2004; Osterwalder et al., 2010; Tikkanen, Lamberg, Parvinen, & Kallunki, 2005; Voelpel, Leibold, & Tekie, 2004; Wirtz, 2000; Yip, 2004) a distinction consisting of 9 components can be made (Wirtz et al., 2015), see Table 5-1.

Component	Strategy	Resources	Network	Customers	Market offering(value proposition)	Revenues	Service provision	Procurement	Finances
Number of papers describing component(total 16)	6	10	7	8	13	8	9	3	8

Table 5-1 Business model components, based on Wirtz et al. (2015)

**STRATEGY**

As strategy can be defined as the criteria for selecting a specific business model(Casadesus-Masanell, 2010), its appearance as an element seems counterintuitive. However, the authors describing strategy as an element of business models refer to the strategic aspect as the link between general strategy and the model(Tikkanen et al., 2005; Yip, 2004). Strategy can be interpreted as the guiding principle for the business model and can, from this perspective, form an element of a business model.

**RESOURCES**

Resources can cover a broad range of both internal/external and tangible/intangible aspects (Currie, 2004). Resources can be interpreted as all relevant 'input' of the business model. They represent the core competencies and assets (Petrovic, Kittl, & Teksten, 2001).

**NETWORK**

Business models are networked by nature as previously discussed. This element reflects the relation between the business model and the network it is part of. The network as an element consists of external interactions leading towards the joint value creation of the business model (Wu & Zhang, 2009).

## **CUSTOMERS**

Although not all authors explicitly mention the customer as an element, implicitly all business models include a form of customers (Wirtz et al., 2015). Customers form the specific target group for which the value created in the business model is meant. It is however also possible that the value that is created is part of a larger whole, combining the output of different models, together delivering value for a client.

## **MARKET OFFERING**

The market offering element consists of the value that is delivered to clients (Lehmann-Ortega & Schoettl, 2005). The market offering can also be viewed in a broader sense where the market context, such as competition, is included (Hedman & Kalling, 2002).

## **REVENUE MODEL**

This element explains how revenue comes about through the model (Wirtz et al., 2015). The revenue model itself can consist of several constructions such as single payments or more complex revenue generating systems such as through advertising or memberships. The revenue created in this part of the business model should be able to support the rest of the model (Kaplan & Norton, 2004).

## **SERVICE PROVISION**

Service provision is an element in which the steps towards the creation of value are achieved. It explains the activities that take place to create higher value out of lower value parts (Johnson, 2010).

## **PROCUREMENT**

In the procurement element the procedure of how input factors are procured is described. Only 3 authors, see figure 3.2.1, describe this element. However, this element can prove essential as neglecting it can lead to considerable issues in other elements (Wirtz et al., 2015).

## **FINANCES**

Under finance, aspects such as the cost structure and cash flow are discussed (Osterwalder, 2004). This element is essential to make sure capital is available when required and in general to make other aspects proceed smoothly.

## **ELEMENTS**

From business model descriptions in literature it becomes evident there is no uniform construction. It is however possible to identify a certain amount of elements, from which business models are constructed. Different

elements, different levels of abstraction and different scopes exist within models. Some models display a ‘comprehensive point of view’ while others consider fewer elements allowing to ‘focus their understanding’ (Wirtz et al., 2015). Some models deal with more elements, creating a broader view of the functioning of a certain business, such as the model presented by Osterwalder et al. (2010). Other models reduce the elements allowing for a stronger focus on certain elements, such as the model presented by Al-Debei and Avison (2010). These two models are further explored to improve the understanding of business model functioning.

**5.2.3 Example 1 The Business Models Canvas**

With the Business Model Canvas(see Figure 5-4) by Osterwalder and Pigneur (2010) being created as a tool for designing and communicating the business model, it serves as a tool for analysis and comprehension of the functioning of a business.

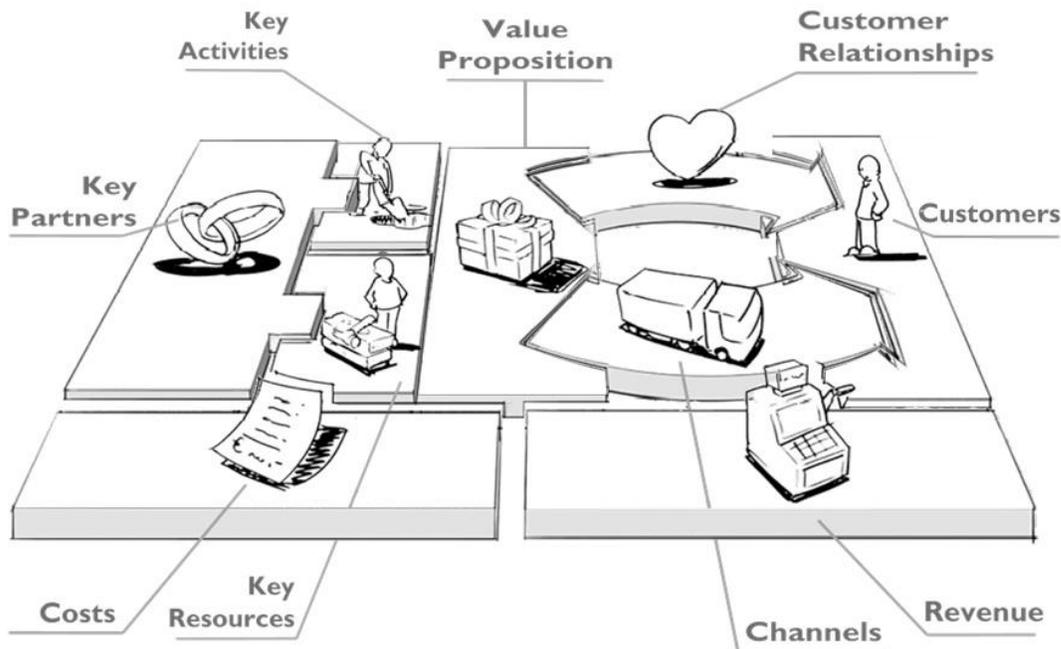


Figure 5-4 The business model canvas(Osterwalder & Pigneur, 2010)

The goal of a business model is explained as a “conceptual tool containing a set of objects, concepts and their relationships with the objective to express the business logic of a specific firm” by Osterwalder et al. (2005). The creation of the canvas has led to a tool that can be applied to any kind of business model according to Osterwalder and Pigneur (2010) and can clarify the meaning of the businesses functioning. The model is based on 9 interrelated building blocks. A model building template can be seen in Figure 5-5.

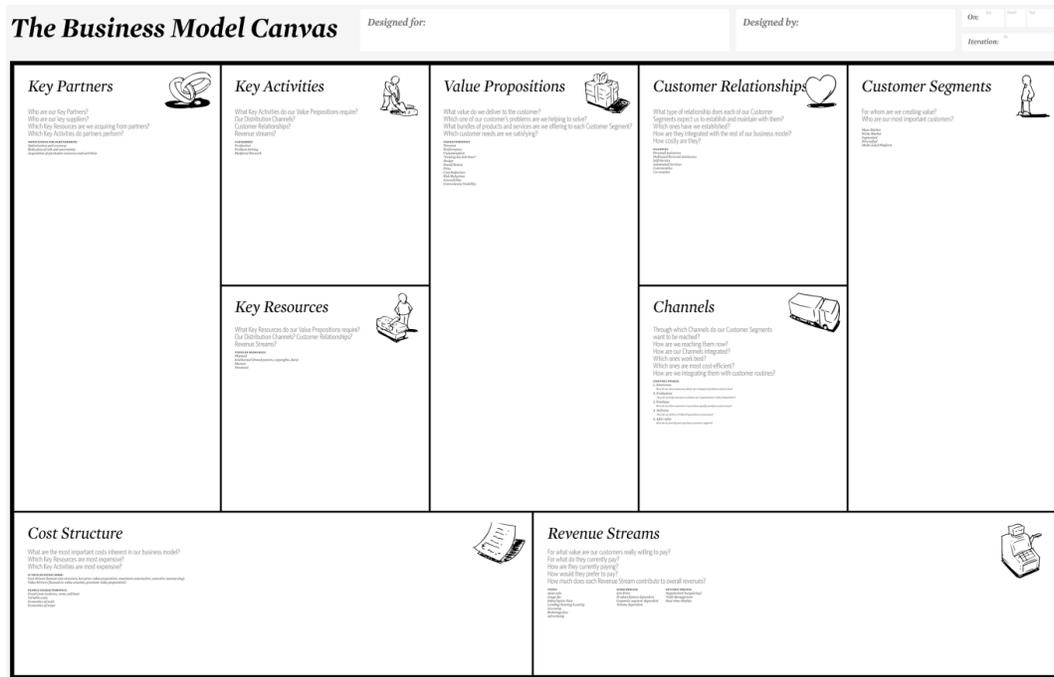


Figure 5-5 A business model canvas template (Osterwalder & Pigneur, 2010)

## THE BUILDING BLOCKS OF THE BUSINESS MODEL CANVAS

The 9 building blocks of the business model canvas can be subdivided into 4 subcategories. The value proposition, which is the value that is to be delivered. The architecture of the value delivery (customer relationships, channels and customer segments) and of value creation (key activities, key resources and key partners) can be considered as the ‘organizational’ aspect of the model. The financial streams (cost structure, revenue stream) can be seen as the ‘economic’ part of the model. Together these aspects give a clear indication of the functioning of a business according to Osterwalder and Pigneur (2010). Below the 9 blocks as explained in Business Model Generation by Osterwalder and Pigneur (2010) are found.

### CUSTOMER SEGMENTS

At the heart of any business model is the (profitable) customer. A business model must choose from either a large or a small customer segment and deliberately chooses to ignore certain segments.

*Typologies of customer segments:*

- Mass market, no distinction of customer segments as can for example be found in consumer electronics
- Niche market, specifically focused a very small customer segment as seen in car part manufacturing
- Segmented market, small variations in customer segments as can be found in banks with customers having different net worths
- Diversified, serving unrelated customer segments with the same model as can be seen in IT companies exploiting online storage for both consumers and for example retailers.
- Multi sided platforms, serving interdependent customer segments as can be seen with creditcards needing both banks and consumers

## VALUE PROPOSITION

The value proposition is why customers choose a company over another. It embodies the benefits of products and services offered to customers. A product can be new, have a better performance, allow for customizability, can take away issues, can have outstanding design, can have a certain status, can be available at a better price, offer cost reduction, offer risk reduction, have better accessibility or more convenience creating value.

## CHANNELS

Communication, distribution and sales channels form the interface with customers. The channels play an important role in customer experience. Finding the right mix of owned or partner channels and the many ways in which this is possible provides a challenge but is crucial in bringing the proposition to the market. In the end the choice should provide a great consumer experience maximizing revenues. A distinction can be made between five phases: Awareness, evaluation, purchase, delivery and aftersales.

## CUSTOMER RELATIONSHIPS

Customer relationships should clarify the desired relation with customer segments. Acquisition, retention and boosting sales are generally the motivation. Types of relations can include personal assistance, self-service, automated service, communities or co-creation.

## REVENUE STREAMS

With the amount a customer segment is willing to pay for a delivered value proposition a business can generate revenues. A distinction can be made between transactional revenues from one-time payments and recurring revenues from ongoing payments. Ways of generating revenue stream are for example: Asset sales, usage fees, subscription fees, renting fees, licensing fees, brokerage fees and advertising fees. Pricing mechanisms can either be fixed or dynamic.

## KEY RESOURCES

Resources describe the most important assets a firm needs to make the business model work. Different kinds of resources can be needed based on the requirements for the other blocks. Resources can be physical, intellectual, human or financial. For example human resources are important in knowledge intensive and creative industries while physical assets are important in production.

## KEY ACTIVITIES

Similar to key resources key activities are activities that need to be done in order for the business model to function. The activities support the creation of the value proposition and the relations and earn revenues. Categories of activities are production, problem solving and network/platform. For example designing or the maintaining of a website are activities.

## KEY PARTNERSHIPS

Partnerships exist for many reasons and are taking on a central role in many firms. A distinction can be made between four types of partnerships: The strategic alliance between non-competitors, cooperation between competitors, Joint ventures to develop new business and buyer-supplier relationships to assure supplies. Partnerships can be motivated by optimization and economies of scale, the reduction of risk or the acquisition of particular resources and activities.

## COST STRUCTURE

The cost structure describes the most important costs incurred while operating under a business model. Delivering value, maintaining relations and creating revenue all induce costs. The emphasis on the costs is different per business model, for example budget airline will focus heavily on costs. A global differentiation can be made between costs driven and value driven cost structures.

## CONCLUDING: BUSINESS MODEL CANVAS ASPECTS

The Business Model Canvas consists out of 4 major parts:

- The creation of the value proposition
- The value proposition
- The delivery of the value proposition
- A financial model

To describe the process in more detail 9 building blocks are used that together allow for the explanation of business functioning. These 9 building blocks are not identical to the 9 elements identified in 5.2.2, the elements of procurement and strategy cannot be found in this model. Considering that every business model has a link to strategy, which does not always explicitly show in the model, this model can still be considered as very broad covering 7 or 8 elements out of the ten seen in business models.

The clarity of the different building blocks, their completeness and their applicability have made the model easily applicable to practice (Richter, 2012). The value of this practicality is indicated by the extent to which the model is used and applied in both literature and practice (Okkonen & Suhonen, 2010).

5.2.4 V4 Business model

In literature there are many different viewpoints focusing on different sub-aspects of business models. Nevertheless the role of business models in the complexity of today is widely recognized. Combining the existing views in literature into a unified framework clarifies the concept of business models (Al-Debei & Avison, 2010). Figure 5-6 shows the framework combining many different views from literature.

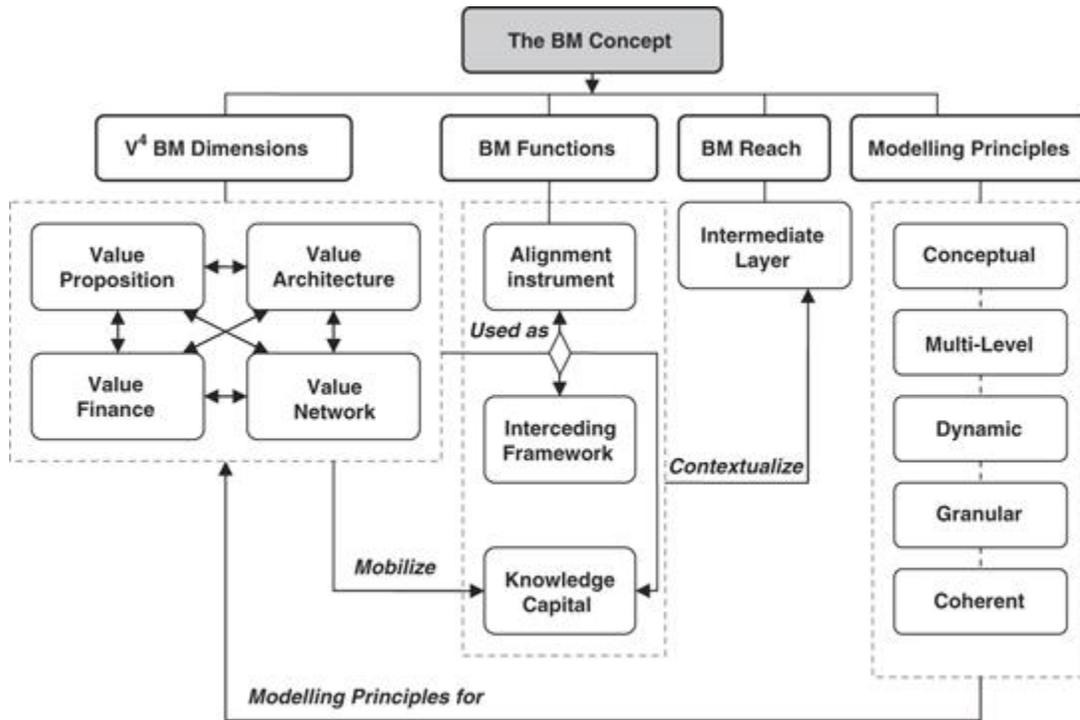


Figure 5-6 A unified conceptual framework (Al-Debei & Avison, 2010)

The V4 BM Dimensions describe the main components implemented in a business model. BM Functions, BM Reach and Modelling Principles deal with the environment around the model. The V4 concept describes an ontological structure for the business model concept through 4 dimensions. The structure describes the main elements when working on the analysis or design of business models. The four dimensions are (Al-Debei & Avison, 2010):

- Value Proposition
- Value Architecture
- Value Finance
- Value Network

## VALUE PROPOSITION

This dimension highlights the product or service, along with its related information, that is created by the organization. The business model should describe the different value elements that are contained within the offering as well as the target group for which the value is created (Hedman & Kalling, 2003; Margretta, 2002). A distinction can be made between approaches of value creation. From a perspective in which value is created for customers (Hedman & Kalling, 2003) and from a perspective how value is created for each of the stakeholders involved in the process (Stähler, 2002).

## VALUE ARCHITECTURE

From this perspective the business model is a structural design of an organization. This structure describes the architecture and infrastructure of the firm (Timmers, 1998). The foundation for this dimension of a business model is the resource-based view in which businesses are considered a combination of resources (Barney, 2001). Aspects within value architecture include both tangible and intangible aspects, such as available resources and competencies.

## VALUE FINANCE

The view of a business model as a description of how a firm generates revenue has a stronger connection with the economic and financial design (Linder & Cantrell, 2000). The assumption is often made that the financial construction of how revenues are generated is sufficient to cover this dimension. The financial perspective has to be seen in broader sense however. The revenue structure, costing and pricing methods are included in this view which links this dimension to the other dimensions of business models and is essentially related to efficiency of a firm in general (Al-Debei & Avison, 2010; Osterwalder et al., 2005).

## VALUE NETWORK

This dimension regards the business model from an inter-organizational perspective. The position of an organization is viewed within a larger value system (Rappa, 2008). The characteristics of a network come in to play in regard to aspects such as openness, the extent to which suggestions and information is shared, and the roles of different actors (Gordijn, Akkermans, & van Vliet, 2000; Pisano & Verganti, 2008). The governance within the network comes into play as well (Al-Debei & Avison, 2010).

## CONCLUDING: V4 BUSINESS MODEL ASPECTS

The V4 model is made up out of four dimensions, complemented by a description of the environment the model is in. These four dimensions cover a limited 3 business model elements. Such a narrow scope allows for a more focused use. Besides from the 4 dimensions the environment describes in detail what characteristics complement the model. Literature on the context in which business models manifest themselves is still an area of attention and the aspects of business models aside from their elements is an area open to further research. The environment of the model can lead to it either working or not working (Wirtz et al., 2015). The V4 model contributes to this development through including relevant environmental conditions.

### 5.2.5 Conclusion

Business models are typically described from certain sub-parts or elements. Different models use different elements. A set of standard elements can be identified from literature, however models do not necessarily contain all elements. Models having fewer components allow for a greater focus on specific aspects while models incorporating more elements allow for a more comprehensive representation of business. From literature the following 9 elements can be derived:

- Strategy
- Resources
- Network
- Customers
- Market offering(value proposition)
- Revenues
- Service provision
- Procurement
- Finances

The Business Model Canvas (Osterwalder et al., 2010) is made up out of a broad range of elements in the form of building blocks. The clarity that is used in designing these blocks has made the model very usable, as is shown by its wide application. The V4 business model focusses on fewer elements, giving the model a narrower scope. The model includes the context in which the model is placed. This environment is highly relevant for a business model.

Business models can be built up out of 9 elements, not necessarily including all of them. By ensuring clarity of the elements on which it is built the model becomes more usable. Furthermore it is important to take into account the context in which the model is used, as this can influence its effectiveness.

### 5.3 A MODEL FOR PROPERTY DEVELOPMENT BUSINESS MODEL ANALYSIS

Based on findings in literature a model was created for the analysis of property development business models. This model, the Developer Business Analysis Model, or DBAM, will be used to identify and classify changes that have taken place in the property development practice. Figure 5-7 shows the model.

#### 5.3.1 DBAM characteristics

The model will be used to analyze changed ways of working in property development, for which an operational business model typology is most suited. A model of strategic nature, focusing on a position of the firm in the market, or a more economic nature, focusing on financial streams, would be less fitting for the purpose of understanding developers in their functioning as an actor. This implies the model is in the form of a configuration showing how an internal process enables the creation of value, similar to how the Business Model Canvas discussed in 5.2.3 describes the different elements used to create value. This internal process is emphasized on by including most of the components of the model in the internal process of the model. Components of operational models are for instance production delivery methods, resource flows and logistical streams (Morris et al., 2005). However, this does not imply the model does not deal with economic aspects, included in the form of *financial construction*, and strategic aspects, included in the form of *firm(strategy)*, but that there is less emphasis on these aspects because they have only one component.

From the example models of 5.2.3 and 0 two relevant characteristics are included. The characteristic of having clarity has led to high degree of usability for the Business Model Canvas in both literature and practice. This clarity will be achieved by only including elements that are argued to be necessary, in a simplified manner, within the business model and using concepts that are understandable without considerable theoretical knowledge. Furthermore the context of the model is taken into account, considering its potential impact, in the form of the *networked* and *temporal* elements. This context is based on the context considered most relevant for business models in an analytical role, see Figure 5-3. This is less extensive than the context provided in example 2, but the decreased amount of elements require less background and make the model easier to understand.

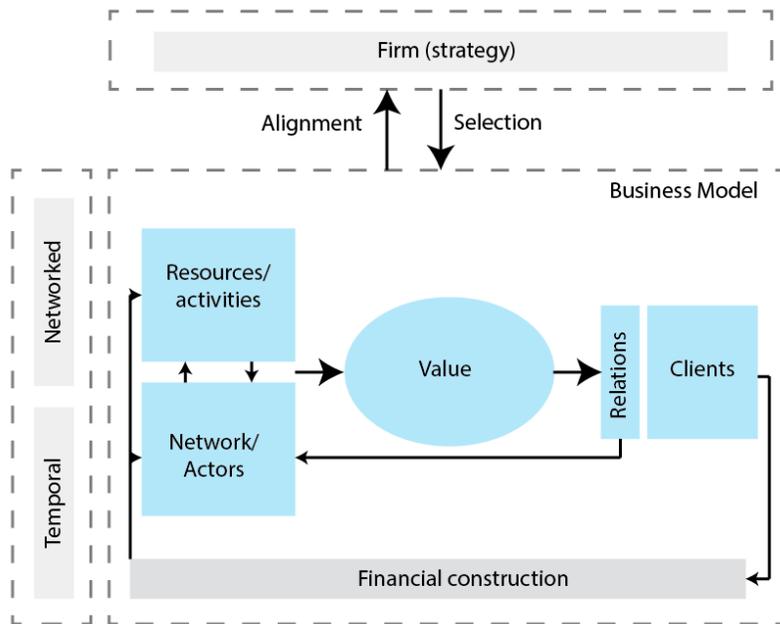


Figure 5-7 Developer Business Analysis Model or DBAM (own ill.)

### 5.3.2 Elements and relations of the DBAM

As discussed in 5.1.5 business models are made up out of a structure of elements and relations between these elements. The elements of the model and their related element from Table 5-1 are shown in Table 5-2. Furthermore the translations from elements in literature to elements of the model and their relations are discussed in this paragraph.

Elements from literature (based on (Wirtz et al., 2015))	Elements in the model (see Figure 5-7)
Strategy	Firm(strategy)
Resources	Resources/activities
Service provision	
Customers	Clients
	Relations
Market offering (value proposition)	Value
Revenues	Financial construction
Finances	
Procurement	Network/actors
Network	

Table 5-2 Origin of DBAM Elements (own ill.)

#### FIRM (STRATEGY)

Every business model has a strong relationship with the *strategy* of the firm. Strategy however is not considered an aspect within the business model however; it is therefore not included as part of the business model itself, but represented from the position of the firm. The firm’s strategy results in the *selection* of a specific business model, which is *aligned* with the firms strategy and other parts of the business. In order to emphasize the difference between strategy and business models, as explained in Figure 5-2, this element is described as Firm (strategy), rather than just strategy, and is placed at a small distance from the business model.

#### RESOURCES/ACTIVITIES

Both *resources* and *service provision* are frequently mentioned in other models, see Table 5-1. As a business model describes amongst others how value is created the ingredients, or resources, and how they are made into a certain value, or service provision, take up an essential part. Some authors combine the elements into a single element of their model such as “resources & competencies, organization”(Demil & Lecocq, 2010), “operations” (Tikkanen et al., 2005) or “value delivery” (Mahadevan, 2004) while other mention both aspects specifically such as for instance Osterwalder and Pigneur (2010) or Johnson (2010). The distinction between these two elements is more pronounced in certain applications. When describing iron ore or computer chips as *resources* and use casting or assembling as *service provisions* the distinction is evident. In non-production environments such as consultancy or for property developers that undertake a role in process and project management, developing concepts and organizing capital, the distinction becomes much less evident. The DBAM model therefore includes these elements in a single element called *resources/activities*.

## CLIENTS & RELATIONS

Customers are the target of the value that is created, as well as the core of revenue generation, making them an important element of the model. The element customer itself is unchanged, the word however has been changed to client which is more fitting in the context. The model thus refers to this element as *clients*.

Furthermore the model distinguishes a separate element for the *relations* with the client, similar to the element found in the model of (Osterwalder & Pigneur, 2010). The reason for the separation of the *customer* element is the expected importance of this element regarding this study. The *demand to supply driven market* trend, strengthened by expected changes as described by several authors (Peek, 2012; Putman, 2010; van Mierlo, 2010) and other developments such as co-creation (Straub, 2012), suggest a potential considerable change in the relation with the client. For this reason a separate element of *relations* is introduced. As the client in the form of co-creation may also be involved as an actor in creating value, the arrow from this element points to *network/actors*, indicating its potential influence or role in that element.

## VALUE

The *value proposition* that is created through the model for the customer is simplified in the model as the element *value*. Representing the perceived value that clients are willing to pay for.

## FINANCIAL CONSTRUCTION

*Revenues* as creating cash flow and *finances* as dealing with cash flows are interrelated. As the model is intended to view property development business in a more operational sense, a simplification can be made. These elements deal with the construction that is used to steer all financial flows, hence they are represented as *financial construction*.

## NETWORK/ACTORS

Networking in the narrow sense of the word deals with partners working collaboratively towards joint value creation. In a broader sense the model will also have effects from and affect a broader network of actors. In the model itself the narrow definition is used as *network*, while the broader sense is included as *actors*. Furthermore *procurement* is also included in this element, as the procurement of services or products is part of the network or actors they originate from. Hence network and procurement form the element *network/actors* in the DBAM.

# **6 EMPIRICAL RESULTS**

## 6.1 INTRODUCTION

This chapter describes the results of the respondents of the survey, that are part of the sample. The respondents as per category of developer, as well as per sector they are active in, can be found in Figure 6-1. Developers can only be part of a single category, while active in multiple sectors.

Whenever a certain trend is referenced to during the description of the empirical results, these are the trends as previously described in chapter -, and restated in Figure 6-2.

	Independent developer	Developer related to a financial institution	Developer related to a contractor	Developer related to a firm with a different core-business	TOTAL
Housing	18	11	7	3	<b>39</b>
Retail	15	7	4	5	<b>31</b>
Office	12	5	6	3	<b>26</b>
Industrial/logistics	7	3	1	3	<b>14</b>
Other: hotels	2	1	0	0	<b>3</b>
Others:(infrastructure, societal, stations and utilities)	2	0	2	1	<b>5</b>
<b>TOTAL</b>	<b>23</b>	<b>15</b>	<b>7</b>	<b>8</b>	<b>N=53</b>

Figure 6-1 Survey sample (own ill.)

Category	Trend
<b>Financial</b>	<i>It has become increasingly difficult to organize capital for Dutch property developers.</i>
<b>Office market</b>	<i>Economic conditions, as well as changing office concepts, such as 'new ways of working', have led to a smaller and changing demand for offices</i>
<b>Retail market</b>	<i>Changing consumer behavior and internet retail cause a lower and changing demand</i>
<b>Housing market</b>	<i>Although production has been low in recent years, smaller households and population growth still lead to demand for houses</i>
<b>Size and location of developments</b>	<i>Property development is shifting towards more complex urban areas, furthermore the scale of developments is decreasing</i>
<b>Supply to demand driven market</b>	<i>Property development is shifting from supply-driven to demand-driven development</i>
<b>Demographic</b>	<i>The population in the Netherlands is aging</i>
<b>Public-private roles</b>	<i>Public parties are increasingly withdrawing from development practices increasing the emphasis on private parties in Dutch property development</i>
<b>Sustainability</b>	<i>Sustainability is taking on an increasingly important role.</i>

Figure 6-2 Trends (own ill.)

## 6.2 IMPACT OF TRENDS

### 6.2.1 General impact

The 9 trends formulated in chapter 4 are based on literature describing changes in the field of post GFC property development. Property developers were asked to indicate the amount of influence these trends have on their business model on a 5 point Likert scale ranging from *no influence* to *very large influence*. The results of this rating are presented in Table 6-1. The results show a wide spread with almost all trends receiving all possible scores. Median scoring falls either in the category *influence* (7/9) or *minor influence* (2/9). The scoring of *very large influence* is least frequent ( $n=38$ ) while *no influence* ( $n=97$ ), *minor influence* ( $n=110$ ), *influence* ( $n=112$ ) and *large influence* ( $n=120$ ) are more frequently reported.

The importance of the *Financial* trend comes forward as having the highest mean value as well as the most frequent *very large influence* ( $n=10$ ) response. Furthermore the *housing* and *supply to demand driven market* have the highest means. Capital availability decreased with the advent of the GFC leaving both the supply side and the demand side severely hampered in their investment capabilities (Putman, 2010), the directness of these change makes these high scorings unsurprising. The lower means of the *office market* and *retail market* trends do stand out as not being as high while also part of the demand side. This can be explained by the fact not all respondents were active in these relevant sectors, see 6.1, resulting in a scoring of *no influence*, reducing the mean score of these trends. Excluding respondents not active in *office* from the *office market* trend results in a mean of 3.38, while doing the same for *retail* in the *retail market* trend results in a mean of 3.39 and for developers active in *housing* the *housing market* trend has a mean of 3.54, highlighting the importance of these trends. It stands out that the *financial* trend, the three market trends and the *supply to demand driven market* score *very large influence* most frequently, making them stand out as having considerable influence for some respondents.

The mean results are closely packed with the lowest mean being 2.38 and the highest mean being 3.11, indicating that all trends have had influence on property developers in general. The scoring itself however is broadly spread, indicating that the impact can vary considerably per respondent. The standard deviation average of 1.25 supports this large spread. This suggests that different developers have had very different influence from different trends.

	No influence	Minor influence	influence	Large influence	Very large influence	Mean scoring	Standard deviation
<b>Financial</b>	10	10	7	16	10	3.11	1.42
<b>Office market</b>	19	9	10	9	6	2.51	1.42
<b>Retail market</b>	14	7	14	12	6	2.79	1.36
<b>Housing market</b>	9	9	13	16	6	3.02	1.28
<b>Size and location of developments</b>	9	12	16	15	1	2.75	1.11
<b>Supply to demand driven market</b>	6	14	9	18	6	3.08	1.22
<b>Demographic</b>	12	19	14	6	2	2.38	0.92
<b>Public-private roles</b>	14	12	11	15	1	2.57	1.24
<b>Sustainability</b>	4	18	18	13	0	2.75	1.08
<b>TOTAL</b>	<b>97</b>	<b>110</b>	<b>112</b>	<b>120</b>	<b>38</b>	<b>2.77</b>	<b>1.25</b>

Table 6-1 Scoring on the impact of trends (own ill.)

The median values of scoring per individual respondent on all 9 trends combined are shown in Table 6-2. Reported median values of respondents fall primarily in the *minor influence* (n=20), *influence* (n=22) and *large influence* (n=10) categories. The lowest mean value of all 9 scorings by a single developer was 1.7 while the highest scoring was 4.3, average mean is 2.8.

The median and mean scoring per developer are not as closely packed as the results of scoring per trend. Some property developers, in general, report a larger or smaller influence at the hand of trends than others, indicating differences of influence in between developers. In short some developers report high values of influence on average, while others report low influence on average. The height of reported influences of trends on business models differs considerably per respondent.

	No influence	Minor influence	influence	Large influence	Very influence	large
<b>Median value</b>	1	20	22	10	0	

Table 6-2 Respondent median scoring values of all 9 trends (own ill.)

### 6.2.2 General Impact per typology of developer

The median impact scores per typology of *independent developers* (n= 23), *financial institution related developers* (n=15), *contractor related developers* (n=7) and *different core business related developers* (n=8) is represented in Table 6-3. Respondents in different typologies report different median scores for the 9 trends. The mean of all scores per category are  $\mu = 2.78$  for *independent developers*,  $\mu = 2.69$  for *financial institution related developers*,  $\mu = 3.35$  for *contractor related developers* and  $\mu = 2.39$  for *different core business related developers*.

When looking at the median scores it stands out that *contractor related developers* report *large influence* much more frequently than other developer categories, when looking at the average of the scorings of these developers this higher amount of influence shows as well, indicating that *contractor related developers* experience a stronger influence of trends than other developer typologies. These developers are typically large organizations, involved in large area development projects in collaboration with public parties. Furthermore their role is in providing continuation for construction works of the contractor or increasing the profit margins, typically being financed from the revenues of the related construction business. Contractors are faced with considerable financial difficulties at the moment (Schiltmans, 2013). Because of this the financing of *contractor related developers* has become very troublesome. Furthermore the scale of developments of area projects they were active in has in particular become difficult under reduced demand. Rating the *financial, housing market, the size and location of developments, supply to demand driven market* and *public-private roles* as having large influence shows that these developers have indeed experienced considerable impact from the trends.

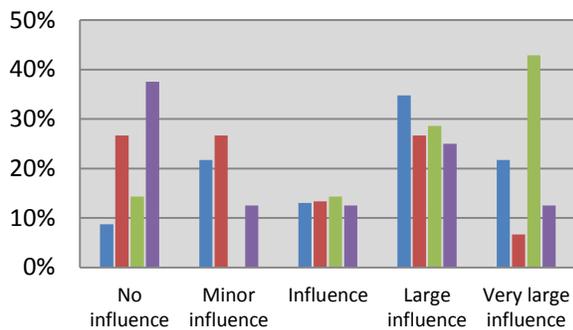
*Different core business related developers* report *minor influence* more often and the lowest average of scores, indicating they experience the least influence from trends. This is not surprising as their core business is not property development itself and their developments are in general more focused on supporting the core business (Nozeman & Fokkema, 2008), reducing influence of external factors. A more in-depth analysis per typology can be found in 6.2.3.

	Independent developers	Financial institution related developers	Contractor related developers	Different core business related developers
<b>Financial</b>	Large influence	Minor influence	Large influence	Influence
<b>Office market</b>	Influence	Minor influence	Influence	Minor influence
<b>Retail market</b>	Influence	Minor influence	Influence	Influence
<b>Housing market</b>	Influence	Large influence	Large influence	Minor influence
<b>Size and location of developments</b>	Influence	Influence	Large influence	Minor influence
<b>Supply to demand driven market</b>	Influence	Influence	Large influence	Minor influence
<b>Demographic</b>	Minor influence	Influence	Influence	Minor influence
<b>Public-private roles</b>	Influence	Influence	Large influence	Minor influence
<b>Sustainability</b>	Influence	Minor influence	Influence	Influence

Table 6-3 Median scores according to developer typology (own ill.)

### 6.2.3 Impact per trend per typology of developer

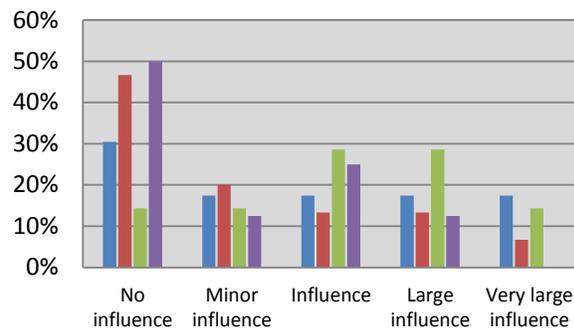
This section describes the percentage of certain scores provided by respondents from their respective typology. The graphs describe the percentages of scores per typology, while the description in text highlights the results of a typology that stand out against other typologies.



- Independent developers (n=23)
- Financial institution related developers (n=15)
- Contractor related developers (n=7)
- Different core business related developers (n=8)

**Financial**

Figure 6-3 Financial trend scoring (own ill.)



- Independent developers (n=23)
- Financial institution related developers (n=15)
- Contractor related developers (n=7)
- Different core business related developers (n=8)

**Office market**

Figure 6-4 Office market trend scoring (own ill.)

In the *financial* trend, see Figure 6-3, *contractor related developers* (n=7) scored the impact primarily as having *very large influence* (3/7) and *large influence* (2/7). Furthermore the *different core business related developers* (n=8) as well as the *financial institution related developers* (n=15) score for a considerable part the trend as having *no influence* (3/8, 4/15).

As previously explained *contractor related developers* are often financed from the revenues of contractors, which are suffering under the economic recession and therefore capital availability is hampered for this developer typology. *Different core business related developers* develop in support of business goals of the core business of the

related company. When projects are required and useful the capital is made available by the core business. Some developers in this category indicate that this has become more difficult, as internal financing demands have gone up as well. Financial institutions are at the heart of the global financial crisis, which could indicate that *financial institution related developers* would experience considerable difficulties. The results however show as diverse, some of the higher scores indicate that indeed there has been a large influence while a considerable part also score the trend as having no or limited influence.

In the office market trend, see Figure 6-4, a several respondents in the *independent developers* (n=23), *financial institution related developers* (n=15) and *different core business related developers* (n=8) answer to have had *no influence* (4/23, 3/15 & 2/8). These scores can be explained by a large amount of developers in these categories not being active in the office market.

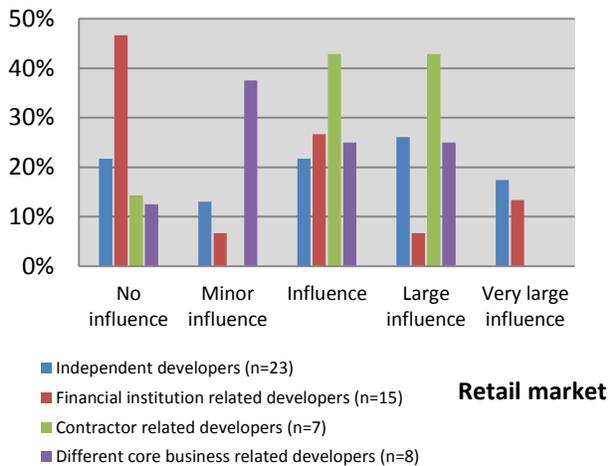


Figure 6-5 Retail market trend scoring (own ill.)

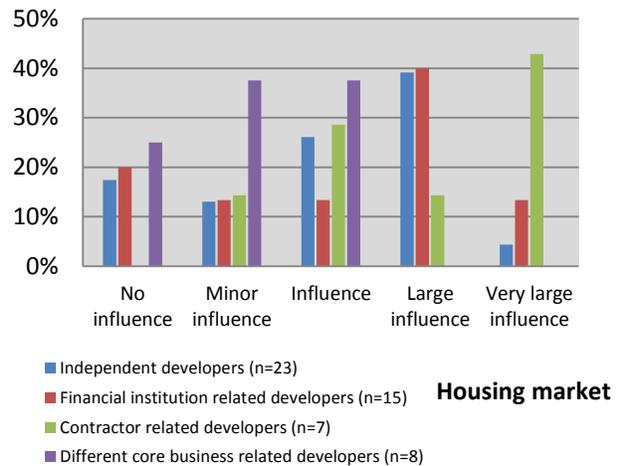


Figure 6-6 Housing market trend scoring (own ill.)

In the *retail market* trend, see Figure 6-5, a large share of responses from the *financial institution related developers* (n=15) indicate there has been *no influence* (7/15). A large share of *different core business related developers* (n=8) indicate to have had a *minor influence* (3/8). The majority of *contractor related developers* (n=7) indicate to experience *influence* (3/7) or a *large influence* (3/7). The lower scores were given by developers not active in the retail sector. Some *different core business related developers* score the influence as limited, this can be explained by retail being in support of for instance a train station or airport.

In the *housing market*, see Figure 6-6, no respondents of the *different core business related developers* (n=8) indicated to have had *large influence* or *very large influence* because of this trend. A large part of *independent developers* (n=23) and *financial institution related developers* (n=15) indicate to have had a *large influence* (9/23 & 6/15) and large part of *contractor related developers* (n=7) indicate the trend to have had *very large influence* (3/7).

Most developer typologies, expect for *different core business developers*, are for a majority active in the housing sector. Developers recognize that there is still demand, while because of various reasons they have been unable to develop housing, this is explained in more detail in 0.

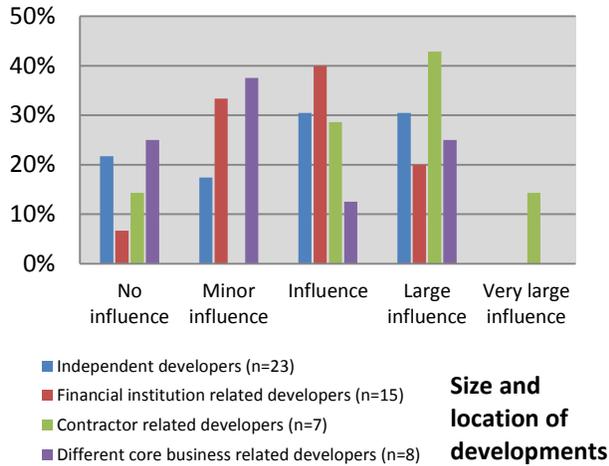


Figure 6-7 Size and location of developments trend scoring (own ill.)

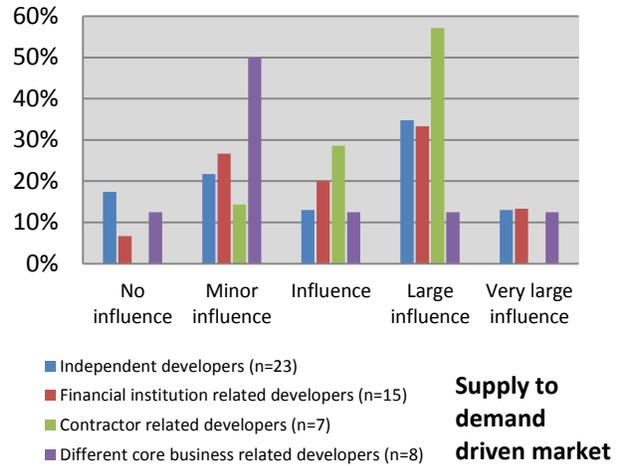


Figure 6-8 Supply to demand driven market trend scoring (own ill.)

In the *size and location of developments* trend, see Figure 6-7, *contractor related developers (n=7)* predominantly score the influence of the trend as having *influence (2/7)*, *large influence (3/7)* and *very large influence (1/7)*.

As *contractor related developers* are typically active in large scale projects using standardized production methods, requiring major investment and a large market uptake, it is not surprising that the influence of decreasing project size and more complex environments is more considerable for them.

In the *supply to demand driven market* trend, see Figure 6-8, a large part of *contractor related developers (n=7)* indicate to have experienced a *large influence (4/7)*. A large part of *different core business related developers (n=8)* indicate the trend to have *minor influence (4/8)*.

As *developers related to different core business* are typically responsible for developments supporting core business they are more likely unique and specific projects, such as retail on stations, potentially less dependent on market demand. Some developers in this category indeed report *minor influence* while on the other hand some others indicate more influence.

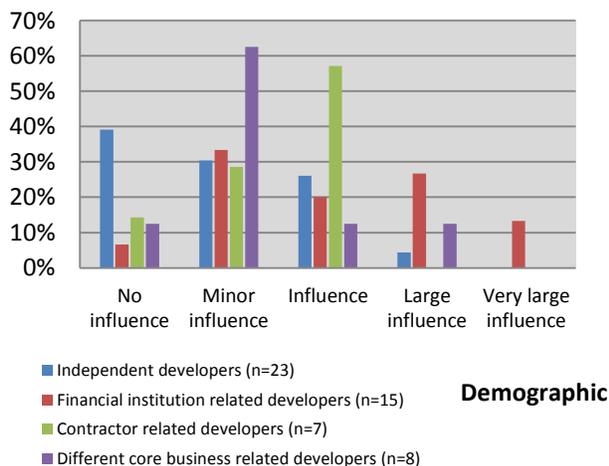


Figure 6-9 Demographic trend scoring (own ill.)

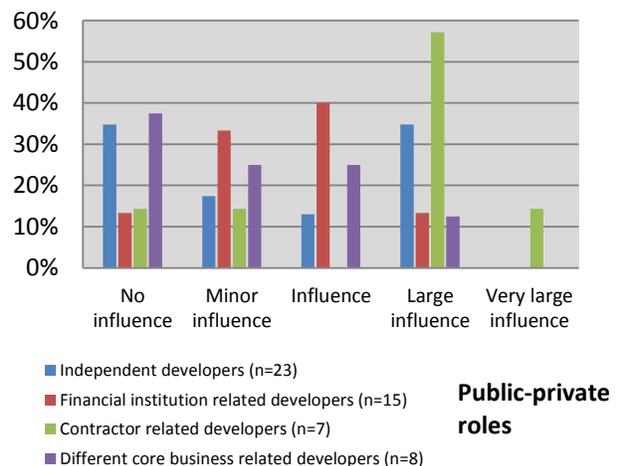


Figure 6-10 Public-private roles trend scoring (own ill.)

In the *demographic* trend, see Figure 6-10, a large part of the *different core business related developers (n=8)* rate the impact as being of *minor influence (5/8)*. A majority of *Contractor related developers (n=7)* rate the

trend as being of *influence* (4/7). Some *financial institution related developers* (n=15) rate the trend as being of *large influence* (4/15) or as of *very large influence* (2/15).

In the *public-private roles* trend, see Figure 6-10, *Contractor related developers* (n=7) predominantly indicate the influence to be *very large* (4/7). The large scale (area) development projects done by these developers indicate collaboration with public parties, therefore this trend would logically affect this developer typology significantly.

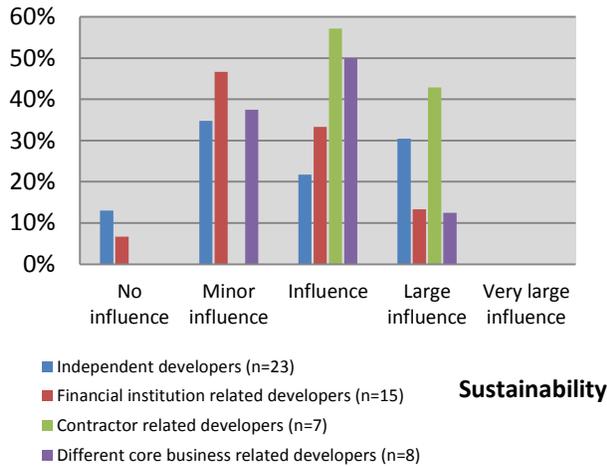


Figure 6-11 Sustainability trend scoring (own ill.)

In the *sustainability* trend, see Figure 6-11, *Contractor related developers* (n=7) only indicate the trend to be of *influence* (4/7) or of *large influence* (3/7). Only a small part of *independent developers* (n=23) and *financial institution related developers* (n=15) indicate the trend to have *no influence* (3/23 & 1/15).

It seems most developers are considering *sustainability* as having influence, however no developers report the trend as having *very large influence*, furthermore very few consider the trend as having *no influence*. The distribution of scores is more centered and more closely packed than other trends, indicating that this trend affects almost all developers but not in very extensive way.

### 6.2.4 Impact per trend per sector of development

This section describes the percentage of certain scores provided by respondents from the respective sector they are **active (indicated by the left number)** or **inactive (indicated by the right number)** in a certain sector. The tables describe the percentages of scores per sector, while the description in text highlights the results of a sector that stand out against other sectors or when the difference between being active stands out or not.

FINANCIAL	No influence	Minor influence	Influence	Large influence	Very influence large	Total
Housing	8/2	7/3	4/3	13/3	7/3	39/14
Office	4/6	6/4	4/3	7/9	5/5	26/27
Retail	6/4	5/5	4/3	9/7	7/3	31/22
Industrial/logistics	2/1	1/9	3/4	4/12	4/6	14/39
Other	3/7	3/7	0/7	2/14	1/9	9/44
<b>Total</b>	<b>10</b>	<b>10</b>	<b>7</b>	<b>16</b>	<b>10</b>	

Table 6-4 Financial trend scoring (own ill.)

OFFICE MARKET	No influence	Minor influence	Influence	Large influence	Very influence large	Total
Housing	13/6	7/2	8/2	6/3	5/1	39/14
Office	1/18	4/5	9/1	8/1	4/2	26/27
Retail	8/11	5/4	8/2	7/2	3/3	31/22
Industrial/logistics	2/17	3/6	4/6	2/7	3/3	14/39
Other	4/15	2/7	2/8	1/8	0/6	9/14
<b>Total</b>	<b>19</b>	<b>9</b>	<b>10</b>	<b>9</b>	<b>6</b>	

Table 6-5 Office market trend scoring (own ill.)

The scoring of the *financial market* trend, see Table 6-4, shows an even distribution amongst respondents being either active or inactive in different industries. It seems that the sector developers are active in does not change the influence of this trend.

The scoring of the *Office market* trend, see Table 6-5, the majority of developers *not active* (n=27) in the office sector indicate to have *no influence* (18/27) form this trend. Compared to the median value of this trend reported to be *minor influence*, developers that are *active* (n=27) report a median value of *influence*, while developers that are *not active* (n=26) report a median value of *no influence*. Furthermore developers active in the *industrial/logistics* (n=14) sector indicate for a considerable share as the trend having *large influence* (2/14) or *very large influence* (3/14) while those that indicate to not being active in this sector (n=39) indicate for a large amount to have *no influence* (17/39) or *minor influence* (6/39).

It is logical active in the market specifically addressed in this trend score the impact of this trend higher. The developers active in *industrial/logistics* scoring the influence of the trend as high are also active in the *office sector*, hence no specific conclusions are drawn towards their higher rating. Developers indicating to not be active in office sometimes score this trend having considerable influence, these developers indicate that this trend is causing opportunities in redevelopment for them.

RETAIL MARKET	No influence	Minor influence	Influence	Large influence	Very influence large	Total
Housing	11/3	5/2	9/5	10/2	4/2	39/14
Office	7/7	6/1	7/7	5/7	1/5	26/27
Retail	1/13	5/2	11/3	9/3	5/1	31/22
Industrial/logistics	2/12	2/5	6/8	2/10	2/4	14/39
Other	5/9	1/6	1/13	2/10	0/6	9/44
<b>Total</b>	<b>14</b>	<b>7</b>	<b>14</b>	<b>12</b>	<b>6</b>	

Table 6-6 Retail market trend scoring (own ill.)

HOUSING MARKET	No influence	Minor influence	Influence	Large influence	Very influence large	Total
Housing	2/7	3/6	12/1	16/0	6/0	39/14
Office	5/4	4/5	5/8	8/8	4/2	26/27
Retail	4/5	6/3	6/7	12/4	3/3	31/22
Industrial/logistics	1/8	5/4	3/10	5/11	0/6	14/39
Other	3/6	0/9	5/8	0/16	1/5	9/14
<b>Total</b>	<b>9</b>	<b>9</b>	<b>13</b>	<b>16</b>	<b>6</b>	

Table 6-7 Housing market trend scoring (own ill.)

In the *retail market* trend, see Table 6-6, the majority of developers indicating to be *not active* (n=22) indicate the impact of this trend as having *no influence* (13/22), those that are *active* (n=31) report higher values. Compared to the overall reported median scoring of this trend of *influence*, the median reported value for those developers that are *active* (n=31) in the retail sector is *influence*, while the median value for *not active* (n=22) is *no influence*.

Similar to the high number of *no influence* scoring in the *office trend*, as shows in Table 6-1, the low ratings can be explained by developers not being active in the retail market. Developers *not active* in retail that still score this trend as having influence to a certain degree comes from developers stating that also for them changing consumer behavior is affecting the way they do business, an example is a developer indicating to do the sales of plots fully online. Furthermore 2 developers indicate that there is positive influence in logistics space.

In the *housing market trend*, see Table 6-7, the majority of respondents *not active* (n=14) indicate the trend as being of *no influence* (7/14) or of *minor influence* (6/14), while those *active* (n=39) are responsible for higher reported values. Compared to the median value of *influence* of this trend, developers that are *active* (n=39) report *large influence* as median value while those *not active* (n=14) report a median of *no influence*.

When specifically regarding at the ratings of developers *active* in housing the high median value of *large influence*, which is the median of a considerable part of respondents (n=39), this trend can be considered one of the most influential.

SIZE AND LOCATION OF DEVELOPMENTS	No influence	Minor influence	Influence	Large influence	Very large influence	Total
Housing	8/1	7/5	13/3	10/5	1/0	39/14
Office	4/5	6/6	8/8	7/8	1/0	26/27
Retail	3/6	8/4	11/5	8/7	1/0	31/22
Industrial/logistics	3/6	4/8	3/13	4/11	0/1	14/39
Other	3/6	2/10	2/14	2/13	0/1	9/44
Total	9	12	16	15	1	

Table 6-8 Size and location of developments scoring (own ill.)

SUPPLY DEMAND TO DRIVEN MARKET	No influence	Minor influence	Influence	Large influence	Very large influence	Total
Housing	5/1	9/5	6/3	14/4	5/1	39/14
Office	5/1	5/9	5/4	9/9	2/4	26/27
Retail	3/3	7/7	6/3	11/7	4/2	31/22
Industrial/logistics	1/5	4/10	2/7	6/12	1/5	14/39
Other	3/3	1/13	2/7	3/15	0/6	9/14
Total	6	14	9	18	6	

Table 6-9 Supply to demand driven market scoring (own ill.)

The *size and location of developments trend*, see Table 6-8, shows an even distribution amongst respondents being either active or inactive in different industries. The scoring of the supply to demand driven market trend, see Table 6-9 , shows an even distribution as well. Indicating that the sectors developers are active in do not seem to influence the influence of these trends.

DEMOGRAPHIC	No influence	Minor influence	Influence	Large influence	Very large influence	Total
Housing	8/4	14/5	11/3	4/2	2/0	39/14
Office	7/5	12/7	5/9	1/5	1/1	26/27
Retail	5/7	13/6	8/6	4/2	1/1	31/22
Industrial/logistics	3/9	8/11	2/12	0/6	1/1	14/39
Other	3/9	3/16	3/11	0/6	0/2	9/44
Total	12	19	14	6	2	

Table 6-10 Demographic trend scoring (own ill.)

PUBLIC-PRIVATE ROLES	No influence	Minor influence	Influence	Large influence	Very large influence	Total
Housing	9/5	7/5	8/3	14/1	1/0	39/14
Office	8/6	6/6	2/9	9/6	1/0	26/27
Retail	7/7	6/6	6/5	11/4	1/0	31/22
Industrial/logistics	3/11	4/8	2/9	5/10	0/1	14/39
Other	4/10	4/8	0/11	1/14	0/1	9/14
Total	14	12	11	15	1	

Table 6-11 Public private roles scoring (own ill.)

The *demographic trend*, see Table 6-10, shows an even distribution amongst respondents being either active or inactive in different industries.

The scoring of the *public-private roles*, see Table 6-11, shows a larger amount of developers that are *active* (n=39) in housing report this trend to have *influence* (8/39) and *large influence* (14/39) compared to developers *not active* (n=14) reporting mainly *no influence* (5/14) or *minor influence* (5/14). As public-private corporation can take place in large scale complicated urban development projects (van Bortel et al., 2007), it is likely these involve

housing as well. It is likely the developers not active in *housing* do not participate in such projects, making their interaction with public parties less intensive and not in the form of partnerships, resulting in lower scores.

SUSTAINABILITY	No influence	Minor influence	Influence	Large influence	Very large influence	Total
Housing	4/0	15/3	13/5	7/6	0/0	39/14
Office	3/1	6/12	9/9	8/5	0/0	26/27
Retail	1/3	13/5	12/6	5/8	0/0	31/22
Industrial/logistics	3/1	4/14	5/13	2/11	0/0	14/39
Other	0/4	2/16	2/16	5/8	0/0	9/44
Total	4	18	18	13	0	

Table 6-12 Sustainability trend scoring (own ill.)

The *sustainability* trend, see Table 6-12, shows developers *not active* (n=14) in housing mainly responding the trend as having *influence* (5/14) or *large influence* (6/14), while developers that are *active* (n=39) mainly report *influence* (13/39) or *minor influence* (15/39). The largest share of responses from developers *not active* (n=27) in the office sector answer this trend to be of *minor influence* (12/27) while the largest share of developers indicating to be *active* (n=26) respond the trend having *influence* (9/26).

These findings indicate that although many developers in the housing sector consider the trend of influence on their business model, developers in office find the influence more important. A motivation often used for sustainable measures is PR and (corporate) image (van der horst, 2010) which provide benefits to a corporation, in housing such motivations are less likely to hold.

### 6.2.5 Other trends

Aside from scoring the trends identified through the literature study, developers were asked to indicate trends they considered to be relevant, not included in the survey. In total 16 responses were given see Appendix F. In total 8 potential additional trends were identified from these responses, see Table 6-13. These trends are either included in different trends, such as *focus on prime locations* being included under size and location of developments (indirectly) or *affordability of housing* under the housing trend (indirectly). Other trends are not of a general nature and are therefore not likely applicable to developers in general such as *vacancy problems in certain areas*.

From these responses it can be concluded that the found set of trends offers a comprehensive image of relevant changes in post GFC property development.

Mentioned	Trend
3	Different ways of working/living and of using real estate (smart cities). Decreased importance of possession over use.
1	Vacancy problems in certain areas
3	Focus on prime locations. (fewer office locations, cities for housing)
1	Elderly and young people in cities, families outside of cities.
1	Affordability of housing

Table 6-13 Additional trends

## 6.2.6 Sub-conclusions on trend scoring

Considering the post GFC property environment was issued in through a financial crisis the financial trend can be expected to be of considerable importance, furthermore problems that already existed in the different property markets were accelerated (Deloitte, 2010) which would show in the market trends. Indeed property developers indicate these trends to be of the greatest importance. The following general conclusions are drawn from the data:

### GENERAL CONCLUSIONS

- The mean values of trend scoring vary between the lowest mean of 2.38 and the highest mean of 3.11, indicating that **all trends have had an impact on business models** and that the differences between the impact of different trends in general is small.
- The total time each answer was score is similar for *no influence* ( $n=97$ ), *minor influence* ( $n=110$ ), *influence* ( $n=112$ ) and *large influence* ( $n=120$ ) only the scoring for *very large influence* ( $n=38$ ) was lower. Indicating that **the influence per trend on business models can be very different per developer**. The median value of influence scoring per developer is mostly *influence* ( $n=22$ ) or *minor influence* ( $n=20$ ), which are the center 2 values of the 4 most frequently mentioned scores, further emphasizing the spread in scoring per developer.
- The *financial* trend scores the highest mean value of 3.11 and has the most frequent *very large influence* ( $n=10$ ) scoring, indicating that **the financial trend has had the largest influence on property developer business models**. The three submarket(housing, office and retail) trends and the *supply to demand* trend all resulted 6 times in a *very large influence* score, indicating their importance. Although the means of the office and retail trends are not the highest, the means of the market trends when regarded from only the perspective of developers that were active in the respective market results in the three highest means of housing ( $\mu=3.54$ ), office ( $\mu=3.380$ ) and retail ( $\mu=3.39$ ), indicating their relevance. Furthermore the mean score of the *supply to demand driven market* ( $\mu=3.08$ ) was the second highest. It is therefore concluded that **the second most business model influencing trends are the housing, office, retail and supply to demand driven market trends**. The remaining trends have fewer high scoring responses and are on the lower side of mean values indicating these trends are of least importance. Considering the differences are small this still makes these trends very relevant. **The size and location of developments, demographic, public-private roles and sustainability trends have influenced business models slightly less than other trends in general**
- *Different core business developers* report the lowest mean score of 2.39 and most frequently have *minor influence* (6/9) as median value. As these developers have a core focus of supporting the core business and often have very specific projects(Nozeman & Fokkema, 2008), there decreased exposure to contextual trends can be explained. **Different core-business developers report the lowest influence from trends.**
- *Contractor related developers* report a mean value scoring of 3.35 and have *large influence* (5/9) most frequently as median value. These developers typically rely on funding from their related contractors revenue, which is low at the moment and thus leaves limited financing, and typically are involved in large scale projects using standardization (Schiltmans, 2013). Specifically such large projects have become increasingly difficult under limited demand. This leads to **contractor related developers being most influenced from trends.**

Aside from these more general conclusions several trend specific conclusions can be drawn as well:

#### TREND SPECIFIC CONCLUSIONS

- In the finance trend particularly *contractor related developers* report the influence as *large influence (2/7)* or *very large influence (3/7)*, indicating the considerable influence on these developers. This can be explained by this group typically being dependent on financing from their related contractor, which are typically suffering from financial issues. For *different core business related developers* the influence is much more limited with *no influence (3/8)* and *minor influence (1/8)* accounting for half of the responses, because of smaller dependence on external financing. Finally *financial institution related developers* report *no influence (4/15)* and *minor influence (4/15)* frequently. Indicating that also for them financial availability is sometimes not or marginally affected. ***Contractor related developers face the largest influence of the financial trend, while different core business developers and financial institution related developers report a more wide spread influence, frequently also including no or minor influence.***
- The influence reported for the *sustainability* trend is more closely packed towards the center than other trends. With *minor influence (n=18)* and *influence (n=18)* most frequently scored and this more centrally oriented scoring it seems that the influence of this trend is more uniform for developers. ***Sustainability has had a more uniform influence on property developer business models with few responses indicating no influence and no responses indicating very large influence***
- ***The financial, size and location of developments and supply to demand driven market show no difference per sector of development***
- Developers that are active in the sectors *housing, office* and *retail* report score higher to their respective trends. Some developers not active in office (n=9) report an influence, this is because there are opportunities such as redevelopment that emerge. In the retail trend some developers not active in retail report that similar to retail they see digitalization is other sectors, or they see opportunities in redevelopment. ***Developers active in the housing, office and retail sector report much higher values in the corresponding trends. However some developers not active in office see influence such as opportunities while some developers not active in retail see opportunities in logistics space or recognize internet in other sectors as well.***
- Developers active in housing more frequently mention *influence (8/39)* or *large influence (14/39)* in the public-private roles trend. Public-private relations typically play a role in large urban development projects, typically including housing (van Bortel et al., 2007), ***resulting in housing developers experiencing larger influence of public-private roles.***
- Developers not active in housing report higher values from the *sustainability trend*. One of the motivations for implementing sustainability in buildings is PR and (corporate) image (van der horst, 2010), which is unlikely to be as strong a motivation in housing. ***Sustainability is of more influence on developers outside of housing development.***

## 6.3 IMPLICATIONS FROM TRENDS

### 6.3.1 General changes

The responses discussed regarding the scoring of the influence of different trends were paired with a question to describe what the main consequence of this trend has been on the business models. In case of some trends additional questions were asked, which are discussed in this section as well. The open answers have been coded using AtlasTI, of which a coding log can be found in Appendix E. The described implications are not necessarily identical to changes in the business models. Specific changes in the business model are described in paragraph 0, the identification of implications serves as a more general identification of the impact of the different trends on the business models of property developers.

### 6.3.2 Business model implications from the “financial” trend

#### TREND: FINANCING REAL ESTATE PROJECTS HAS BECOME INCREASINGLY DIFFICULT

From the coded responses regarding the *financial* trend, see Figure 6-12, a total of 6 categories emerge. The most frequent change identified is *difficulties in development financing* ( $n=21$ ), examples are that it is “*more difficult to find financiers*” (case37), “*decreasing volumes*” (case1) and “*influencing available investment volumes*” (case 34). Other developers indicate that the trend has not changed their business model and respond that their *financing model is unaffected* ( $n=11$ ). Some responses state this trend has led to *alternative financing sources/constructions* ( $n=10$ ), responses include “*other sources such as private equity*” (case 23) or “*direct collaboration with investment funds without bank interference*” (case 41). Responses mentioning *increased effort in arranging finance* ( $n=7$ ) indicate they have “*payment in terms*” (case 19), “*include more certainty*” (case 47) or “*based investment on long term exploitation*” (case 49). Furthermore some developers indicate an *increased share of private equity* ( $n=5$ ) or an *increased emphasis on market knowledge* ( $n=2$ ).

Van Sliedregt (Appendix G), explains that after the GFC banks were much less willing to finance property developers as a company, but still willing to invest in projects. For the developer he works for this implies that cashflow has become very important to cover the equity component required for development. At the same time he recognizes that some firms are in the possession of more equity, or different financing sources, and are through their ability to bear such risks much less affected.

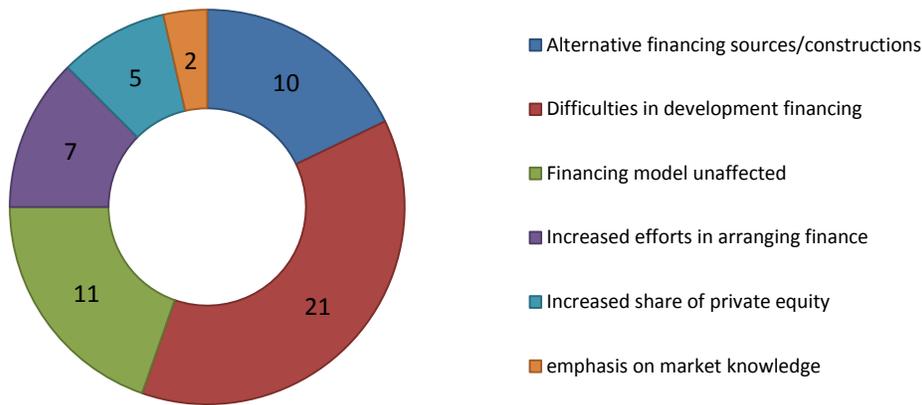


Figure 6-12 Changes from the financial trend (own ill.)

### 6.3.3 Business model implications from the “Office” trend

**TREND: BECAUSE OF ECONOMIC CONDITIONS, AS WELL AS CHANGING OFFICE CONCEPTS, SUCH AS ‘NEW WAYS OF WORKING’, HAVE LED TO A SMALLER AND CHANGING DEMAND FOR OFFICES**

From the coded responses regarding the *office* trend, see Figure 6-13, a total of 3 changes emerge. Respondents report that *office developments have halted/decreased* (n=11), indicating for instance that “*there is hardly any business for new offices left*” (case 23) or that the options are to “*dispose or redevelop*” (case 52). Others indicate that there are *opportunities in redevelopment* (n=11), indicating that “*decreasing office property values lead to opportunities for transformation*” (case 33) or that “*some cases pass by for alternative purposes for vacant office buildings*” (case 5). Finally developers indicate that there are *opportunities in new products* (n=6) such as “*maximized separability*” (case 21) or “*restructuring, redevelopment, different concepts, transformation*” (case 44).

Groeneweg (Appendix H) explains that there is activity in the amount of transformation possibilities, as a result of old offices unable to support office functions, but office developments are rarely done by Blauwhoed, only when a user asks for them. Bodewes (Appendix I) adds that the majority of empty offices will still have to be demolished. Sometime demolishing and building new is more attractive cost-wise. But also from an energetic perspective transformation of offices often leads to unattractive gross/net or shape of floor areas, and possibly higher energy consumptions.

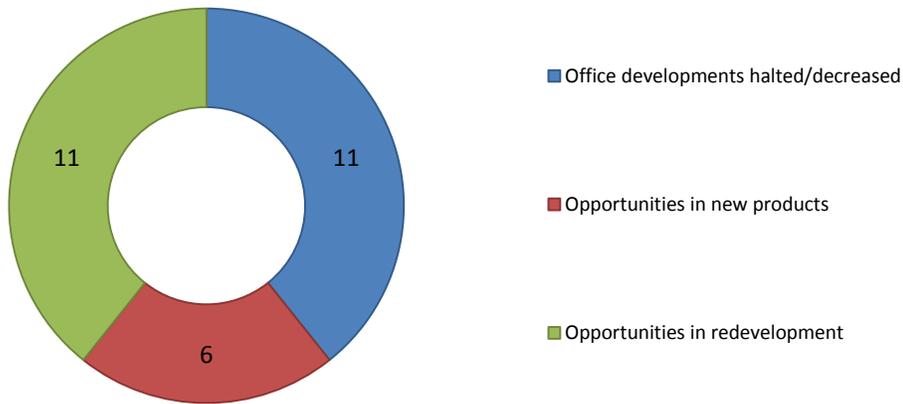


Figure 6-13 Changes from the office trend (own ill.)

### 6.3.4 Business model implications from the “retail” trend

#### TREND: CHANGING CONSUMER BEHAVIOR AND INTERNET RETAIL CAUSE A LOWER AND CHANGING DEMAND

From the coded responses regarding the *retail* trend, see Figure 6-14, a total of 2 changes emerge. The majority of respondents indicate that there is a *decrease or downsizing of retail developments* (n=14), “retailers have become more critical. Rental prizes are decreasing as retail profits are decreasing amongst others because of internet sales” (case 16) and “8 out of 10 propositions has become useless”. Furthermore some developers indicate that the trend has led to a *focus on large retail chains* (n=3), all three indicating “supermarket” (case 12, 13 & 36).

Van Sliedregt (Appendix G) highlights that retailers are already very professional clients that know very well what they want. This is likely why the only identified influence is decreasing development, or focusing on a small still viable niche.

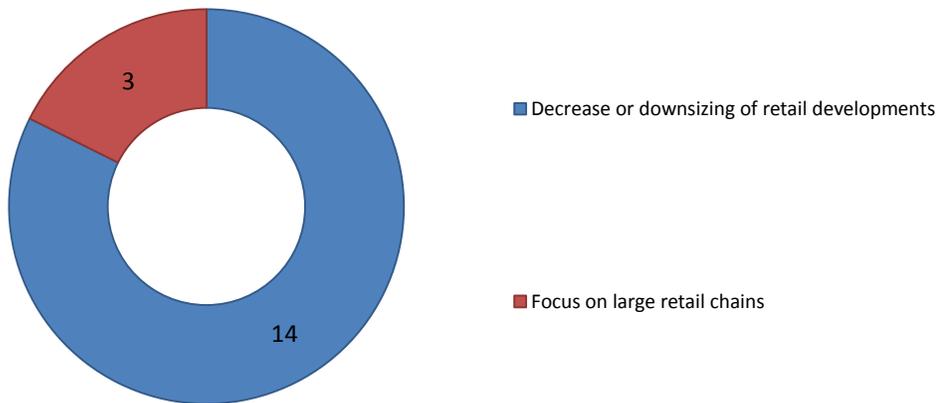


Figure 6-14 Changes from the retail trend (own ill.)

6.3.5 Business model implications from the “housing” trend

**TREND: ALTHOUGH PRODUCTION HAS BEEN LOW IN RECENT YEARS, SMALLER HOUSEHOLDS AND POPULATION GROWTH STILL LEAD TO DEMAND FOR HOUSES**

From the coded responses regarding the *housing* trend, see Figure 6-15, a total of 6 changes emerge. Responses describing that *circumstances are affecting production* (n=11) include “Recent years production has been low as the end-investor of the house did not know yet what his financial situation would be in coming years” (case 22) and “Land prices that have not always been downward adjusted combined with amongst others increased EPC norms make it hard to match costs with benefits” (case 16). Others indicate that a *focus on lower/smaller segment* (n=9) of housing is taking place, such as “investor demand for 1-2 person household housing is very large” (case 23) and “we have realized many starter houses” (case 14). Responses include that the consequence has been that they are *increasing production* (n=7), such as “we see demand rising and expect increase of the development volumes end 2016” (case 22) and “we are giving full throttle again” (case 30). Furthermore respondents indicate that they have an *increasing focus on the housing market* (n=4), try and make *new housing concepts* (n=4) and have increased *focus on clients* (n=2).

Groeneweg (Appendix H) states that markets are improving and opportunities are emerging once again. He also indicates that there is potential risk in the current situation: possibly people that have not been buying in recent years will now quickly result in large production, which after a few years results in a problem of oversupply. Bodewes (Appendix I) explains that the market is moving again, but that it takes time to reach higher levels of production.

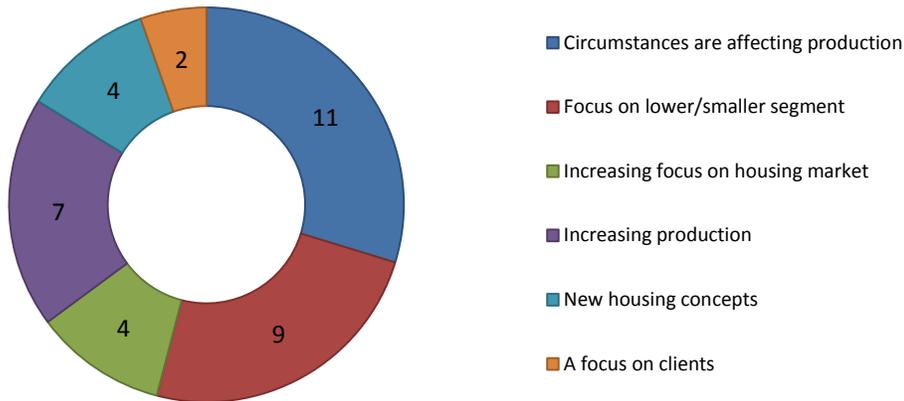


Figure 6-15 Changes from the housing trend (own ill.)

6.3.6 Business model implications from the “size and location of developments” trend

**TREND: PROPERTY DEVELOPMENT IS SHIFTING TOWARDS MORE COMPLEX URBAN AREAS, FURTHERMORE THE SCALE OF DEVELOPMENTS IS DECREASING**

From the coded responses regarding the *size and location of developments* trend, see Figure 6-16, a total of 3 changes emerge. Several respondents indicate a *focus on urban areas* (n=7), for instance “integral urban (re)developments are the new challenges, to which we are adapting” (case 18) or “the Randstad is discerning itself in demand and values as opposed to outer areas, because space is limited in this area this automatically leads to the

trend above, this trend has considerable impact on our business model” (case 15). Responses indicating that there is increased complexity (n=4) answer amongst others “complexity in urban areas are noticeable in the process, risk management is of increasing importance” (case 53). Furthermore some developers indicate that there are shorter projects (n=6), such as “long term developments are no longer present, timeframes of 3-5 years rather than 3-10 years” (case 36). Such shorter timeframe and smaller sized projects can be identified as incremental projects. There seem to be no indications however that the more organic form, in which public parties create a desired larger scale picture in which adaptations are made (Needham, 2014), is taking place.

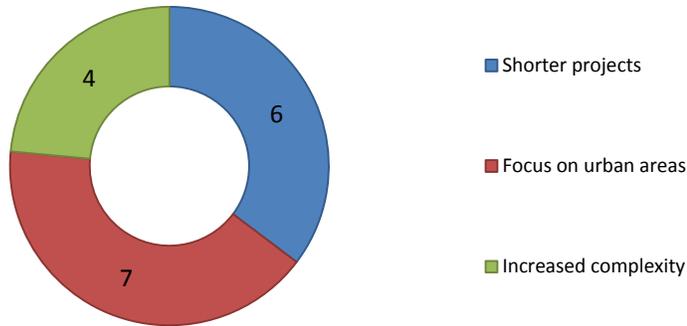


Figure 6-16 Changes from the size and location of development trend (own ill.)

Aside from the Likert-scale scoring and the open answers, developers responded on the following multiple choice questions:

- Has a shift taken place within the business model of your firm?
- Has the scale of developments changed within your company?
- Is the emphasis within your firm primarily on buildings or areas?
- Has the emphasis of development on buildings or areas changed within your firm?

The majority of developers responds that either a shift towards urban locations (n=27) has taken place or that no shift has taken place (n=25), see Figure 6-17. Regarding a change in development size the largest amount of respondents indicates that developments have become smaller (n=24) while the opposite is indicated as well, developments have become larger (n=9), finally a considerable part indicates that no change has taken place and developments have remained of similar size (n=20). Those indicating that developments have become larger (n=9) indicate that their projects have shifted towards cities, and although increasingly complex, also larger, or that because competition has faded away, larger projects are left for them instead.

As demand for housing in urban areas is increasing (van Mierlo, 2010) it is unsurprising a large proportion of developers indicate they are noticing a shift towards more complex urban locations. At the same time the decreased availability of capital and the more complex context of existing urban locations (ABN AMRO, 2014) would likely lead towards smaller developments. Indeed a large part of the developers recognizes developments becoming smaller. At the same time a smaller part of developers indicates that developments are becoming larger. Developers indicating that they have become larger do not show a uniform motivation as to why, one respondent indicates that they are growing in complex inner-city developments, a different respondent indicates that with the decrease of competition there is more room for them to do larger projects.

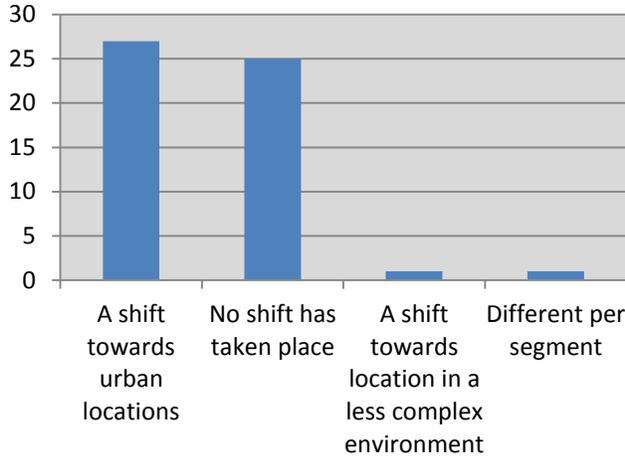


Figure 6-17 A shift in developments (own ill.)

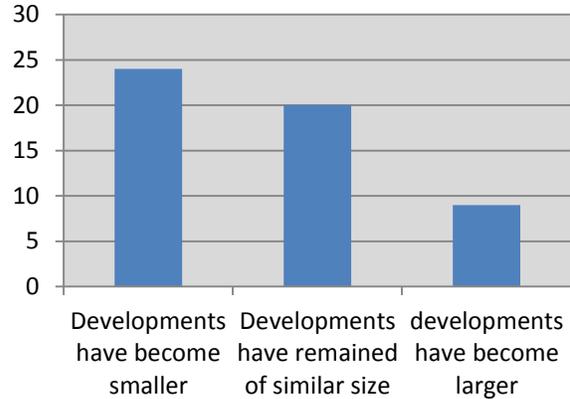


Figure 6-18 Changing development size (own ill.)

When regarding an emphasis towards buildings or areas, the majority of developers indicate that the *emphasis has not shifted* (n=26). Responses that *emphasis shifted towards buildings* (n=15) and that the *emphasis shifted towards areas* (n=12) are indicated with a small difference. Furthermore developers that have an *emphasis on areas* (n=12) indicate more frequently that *emphasis has shifted towards areas* (n=6) while rarely that *emphasis has shifted towards buildings* (n=1).

The majority of developers with an *emphasis on areas* are indicating that the emphasis is *shifting towards areas* (n=6) or is *not changing* (n=5), this group is also responsible for the majority (5/8) of the responses stating that developments have become larger. It seems that some developers are increasingly focusing on larger urban areas. The opposite appears as well, developers with an *emphasis on buildings* (n=10) indicate that the emphasis is *shifting towards buildings* (n=3) or *the emphasis has not shifted* (n=6) of which these respondents indicates that *developments have become smaller* (n=5) or *remained of similar size* (n=4).

Bodewes (Appendix I) explains that indeed there is an emphasis on urban housing, but that this also somewhat wishful thinking. Such housing is not available for everyone because of costs, and at the same time it is not possible to fit everyone in cities. As existing locations are filling up, a shift will take place once again to outer area developments.

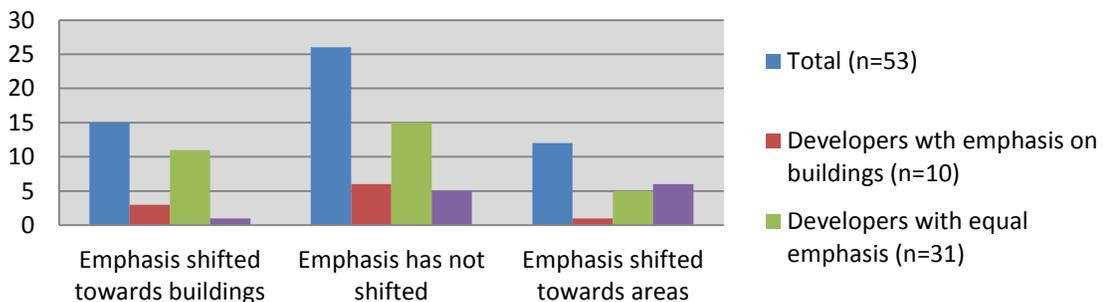


Figure 6-19 Emphasis on buildings or areas within development (own ill.)

**6.3.7 Business model implications from the “Public-private roles” trend**

**TREND: PUBLIC PARTIES ARE INCREASINGLY TAKING ON A SMALLER ROLE IN SOCIETAL DECISION-MAKING. IN (AREA)DEVELOPMENTS A MORE PROMINENT ROLE OF PRIVATE PARTIES IS EXPECTED.**

From the coded responses regarding the *public-private roles* trend, see Figure 6-20, a total of 3 response types emerge. Respondents indicating an *increasing private role* (n=10), indicate for example that “we have taken over tasks from municipalities” (case 3), “much less competitions are held, which were an important source for our development plans” (case 15) or “we embrace the trend that municipalities leave more room for private parties, more effort is put into creativity, innovation and customer orientation” (case 18). Developers indicating that there is a *different role, similar influence* (n=6) show responses such as “we still collaborate, only without risk sharing” (case 30) or “we are increasingly taking on a role of ‘unburdening’” (case 23). Finally some developers indicate that there is *no noticeable change* (n=5).

It seems property developers mainly recognize change and for a small part do not notice changes or believe that the role of public parties is only changing but still of similar power, while no developer denies the trend. This confirms the findings from literature describing a shift towards private parties (Heurkens, 2012). Furthermore it is likely the reduced public role will not change back considering the losses of public parties in property development (van de Hoef & Lansbergen, 2013).

Van Sliedregt (Appendix G) notes that public parties are indeed withdrawing because decreased willingness and capability to invest, but that a role for private parties will most likely only take place in major cities and areas of growth where large institutional investors are willing to provide capital, while in less popular areas both public and private parties will be unable.

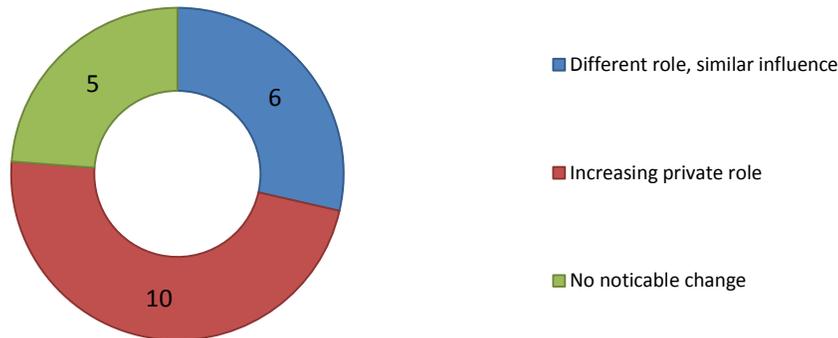


Figure 6-20 Changes from the public-private roles trend (own ill.)

**6.3.8 Business model implications from the “sustainability” trend**

**TREND: SUSTAINABILITY IS TAKING ON AN INCREASINGLY IMPORTANT ROLE.**

From the coded responses regarding the *sustainability* trend, see Figure 6-21, a total of 5 response types emerge. Respondents indicating that for them sustainability is *defined by standards or following development trends* (n=10) responded for instance by “we are not striving for a position as front runner, but we follow the trend” (case 32) or “not a goal, but awareness of sustainability” (case 49). Another response is that sustainability plays a role *when asked for by clients* (n=2). Other respondents indicate that *sustainability is of growing importance* (n=7), indicating that “sustainability is showing in all policies” (case 45) or “a more planned approach to sustainability is

noticeable” (case 19). For some sustainability is an *integral part of working* (n=6) or *more effort is put into sustainability* (n=5) such as “*extra manpower for sustainability*” (case 3).

The majority of developers recognizes that they have an active role that is implemented through an *integral part of working* (n=6), being implemented through *more effort is put into sustainability* (n=5) or *it is of increasing importance* (n=7). A smaller part takes on a more passive role and implements sustainability as *defined by standards or following development trends* (n=10) or *when asked for by clients* (n=2). No developers respond by stating that sustainability is not becoming increasingly important, and it seems that the trend is increasingly causing developers to take sustainability into account.

Van Sliedregt (Appendix G) highlights an issue that was also mentioned in 4.7.1, that it is important that the investment is made now, while benefits will take place over time. When for instance buyers state they like solar panels on their roof, while after explaining this will cost a considerable amount results in most people saying no. This is likely to lead to the attitude most developers take, following trends or putting effort into including sustainability. They might be willing but the benefits having to be clear as well. Bodewes (Appendix I) recognizes that indeed some developers are trying to stay ahead of legislation, but he believes legislation is already very strict. Furthermore it is more responsible to use proven technology, also for the client, but this off course hampers advancement.

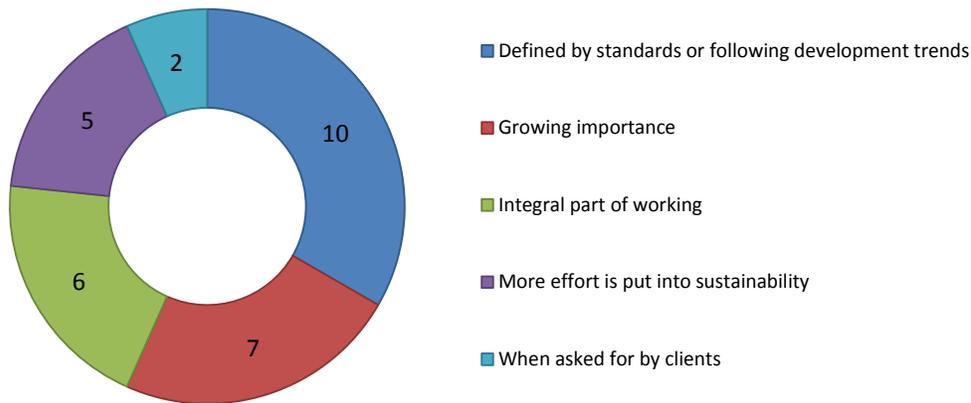


Figure 6-21 Changes from the sustainability trend (own ill.)

### 6.3.9 Business model implications from the “supply to demand driven market” trend

#### TREND: PROPERTY DEVELOPMENT IS SHIFTING FROM SUPPLY-DRIVEN TO DEMAND-DRIVEN

From the coded responses regarding the *sustainability* trend, see Figure 6-22, a total of 3 response types emerge. Part of respondents indicate they do *more market research or securing sales* (n=9), indicating for instance “*first find and commit tenants, than continue development*” (case 5), “*before a development location is acquired the sales are already arranged*” (case 43) or “*we hardly develop for the market anymore, by only for end-users*” (case 16). Responses coded as *the client is involved or of more importance* (n=13) included responses such as “*Co-creation, co-design and innovative concepts have become our daily practices*” (case 20) or “*dealing with clients has become increasingly important*” (case 23). Finally a large part of developers indicate that they were *already demand driven* (n=14), “*focus has always been demand driven, speculative development hardly exists anymore since the crisis*” (case 1).

Van Sliedregt (Appendix G) explains that before the crisis many developers were able to develop focused on risk while at the moment there are very few developers still able to develop in this way. Leaving other developers

in a role where the adding of value and quality is important to maintain business. Groeneweg (Appendix H) states he believes the awareness of the importance of clients in development has been strengthened, but that under improving market circumstances some developers seem to be returning to 7 years ago, where the client is of much less importance.

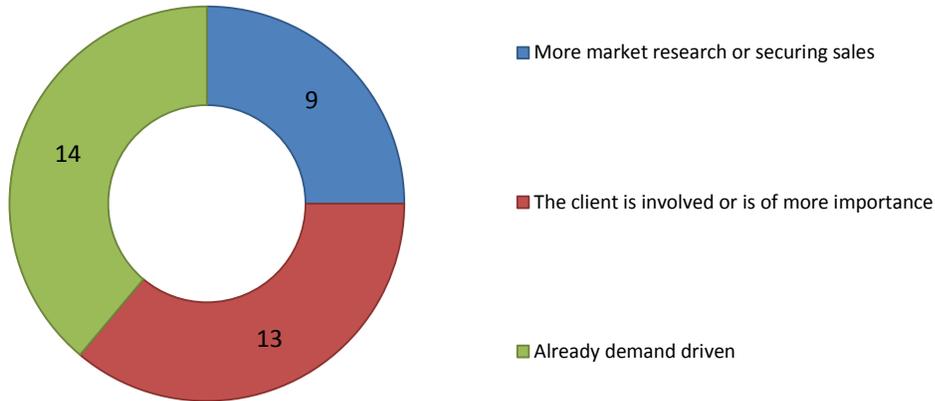


Figure 6-22 Changes from the supply to demand driven trend (own ill.)

### 6.3.10 Business model implications from the “Demographic” trend

#### TREND: THE POPULATION IN THE NETHERLANDS IS AGING

From the coded responses regarding the *demographic* trend, see Figure 6-23, a total of 3 response types emerge. Respondents indicate that this is a *(slowly) developing market* (n=11), responding that “because of this there is, and increasingly, is demand for new types of care and housing” (case 22) or “slowly more leads for ‘extramuralising care’ and collective private commissioning of elderly are emerging” (case 53). Furthermore respondents indicate that they are *increasing health related facilities* (n=5). Respondents indicating *small or limited impact* (n=6) respond for instance by stating “often elderly are mentioned, but little is happening” (case 14).

Van Sliedregt (Appendix G) states that the aging population likely implies that there will be an effect on many types of real estate, as these people were what drove the growth of 20 years ago in a predictable way, but the target group for property and how to satisfy them has become increasingly uncertain.

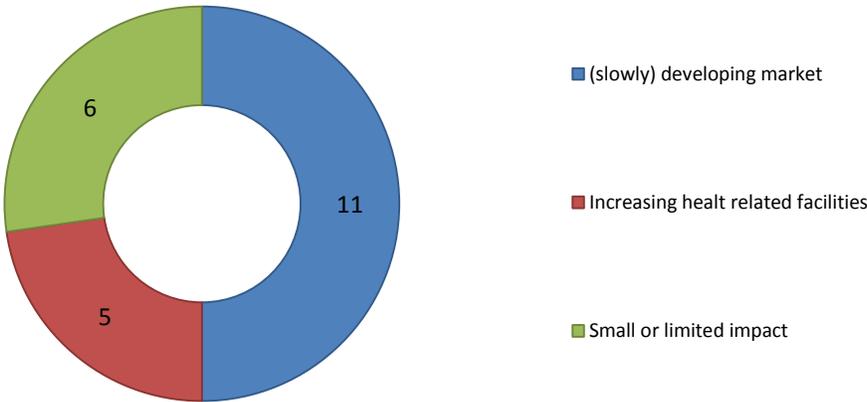


Figure 6-23 Changes from demographic trend (own ill.)

### 6.3.11 Important change

Developers were asked to indicate what they considered to be the most important change in their business model as an addition to existing trends, this question was not linked to a certain trend and are additional to already mentioned changes, this implies that these trends are potentially supplementary, or already mentioned in a previous change from trends. From the coded responses regarding this questions, see Figure 6-24, a total of 4 response types emerge. Responses indicated *changed financial construction* (n=9) most frequently. Furthermore *client orientation* (n=8) was often mentioned, “*end-user central in the process!*” (case6). Some respondents indicate *Emphasis on market knowledge* (n=4), such as “*even more knowledge driven development*” (case 13). Finally developers indicated *closer collaboration* (n=2), indicating “*from contractors and subcontractors to building partners*” (case 7).

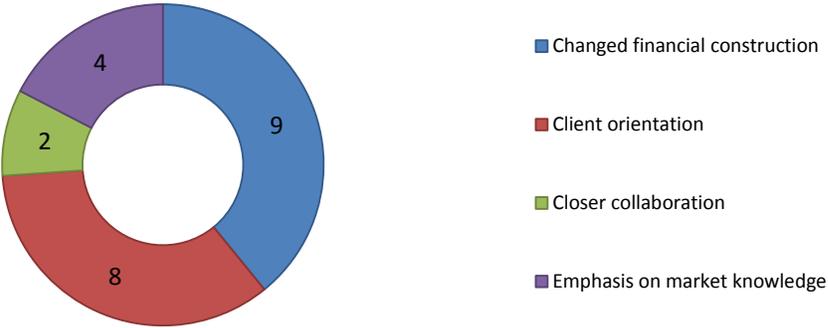


Figure 6-24 Most important business model change (own ill.)

### 6.3.12 Sub-conclusions on trend impact on business models

Various sub-conclusions can be drawn from the open responses. The coding and its results described in this paragraph are used to draw the conclusions described below. The actual changes in business models are described in the next chapter, the results of this chapter are intent to provide explanation of the influences as described by the quantitative questions described in the previous chapter.

- The largest reported influence from the financial trend was *difficulties in development financing (n=21)* indicating that many property developers agree with the trend description. Some developers however indicate that the *financing model is unaffected (n=11)*. Many responses (n=23) include ways in which developers try to cope with the difficulties in arranging capital. ***The trend that financing real estate projects has become increasingly difficult is recognized by many developers and a considerable part indicates they impact has resulted in new ways or more effort in arranging capital. A smaller part of the developers indicate that their models have remained unaffected.***
- The reported impact of the *office trend* has resulted in either the *decreasing/stopping of office developments (n=11)* or in opportunities of *redevelopment (n=11)/new products (n=6)*. ***A smaller and decreasing demand for offices has resulted in some developers reducing their office developments and in developers seeing chances in redevelopment or to a smaller degree finding new products.***
- The *retail trend* mainly shows developers that indicate to *decrease or downsize retail development (n=14)*. A very small part indicates to *focus on large retail chains(n=3)*. ***Lower and changing retail demand is mainly causing developers to decrease or downsize their retail developments***
- In the *housing trend* property developers seem to recognize the low production and at the same time recognize demand still exists by indicating that *circumstance are affecting production (n=11)* and that they are *focusing on lower/smaller segment (n=9)*, *increasing production (n=7)*, *new housing concepts (n=4)* or have an *increasing focus on the housing market (n=4)*. ***The trend of a drop in housing production while demand is still growing, through smaller average household size and population growth, is recognized by developers and they are trying to increase the development amounts, for instance through focusing on a smaller housing and new concepts as market circumstances have kept production low.***
- The *size and location of development trend* results in respondents stating the *projects are shorter (n=6)*, *focused on urban areas (n=7)* and *increasingly complex (n=4)*. A small majority (n=26) indicates a shift towards the city while the other half of respondents (n=25) indicate they do not recognize a shift. The complexity and capital requirements of urban locations (ABN AMRO, 2014) make it likely projects will become smaller which about half of the developers recognize while a small part sees developments increasing in size. ***The trend that property development is focusing on complex urban locations and smaller projects is recognized to a certain extend. Half of the developers indicate a shift towards urban locations and none towards less complex areas. The majority believes projects have become smaller or stayed the same, while a small group indicates having larger projects.*** It seems a small group of developers with an emphasis on areas (n=11) is increasingly focusing on areas (n=6) or has not changed its focus (n=5) and responds for a large part that developments are becoming larger (n=5) or of similar size (n=5). Another small group of developers with an *emphasis on buildings (n=10)* indicate keeping the *focus similar (n=6)* or *more on buildings (n=3)* and are getting *smaller projects (n=5)* or *projects of similar size (n=4)*. ***Developers indicating to have an emphasis on areas maintain or increase their focus and develop projects of similar or larges size while developers focusing on buildings maintain or decrease project size and maintain or increase their focus on buildings.***

- The *public private roles* trend describes that public parties are withdrawing from development and a more prominent role is expected of private parties. Responses indicate that developers believe this is happening (n=10), while some other developers do not notice change (n=5) or that public parties are changing but are still of comparable power(n=6). **Property developers respond that they are either taking on an increasing role or that the power of municipal parties is of the same level, but according to some changed, because of the trend that an increasingly large role is expected of private parties in development.**
- The responses from the *sustainability* trend can be categorized into two groups, a group that has actively implemented or is increasingly implementing sustainability (n=18) into their ways of working and another group that is more passively following regulations/trends/when specifically asked for(n=12). **The trend that sustainability is increasingly important has led to je largest part of developers actively implementing or dealing with sustainability while another part of developers is taking on a more passive role in letting legislation, trends or client demand lead its possible implementation.**
- Developers respond to the *supply to demand driven market* that either they put increasing effort into demand by a more important or involved client (n=13) or more market research and securing sales (n=9). Furthermore a large part states to already be demand driven (n=14). **The trend that as shift is taken place from a supply- to demand-driven market has caused a large part of developers to increasingly focus on clients while a slightly smaller group of developers indicates that this was already the case for them.**
- In the responses regarding the *demographic* trend as small part of developers indicates *increasing health related facilities* (n=5), a larger part that it is a (slowly) *developing market* (n=11) and a final smaller part that the trend is of *small or limited impact* (n=6). **The trend that the population in the Netherlands is aging is recognized but considered as of minimal or slowly growing impact, some developers are considering health related facilities because of this trend.**
- From responses of what developers consider the most important change, two fields come forward. Some property developers consider *changed financial construction* (n=9) most important while other consider client related aspects as most important through *client orientation* (n=8) and *emphasis on market knowledge* (n=4). A small group considers *closer collaboration* (n=2) as most important. **Most developers consider either the changes in financial constructions or client related aspects the most important influence of the post GFC environment.**

## 6.4 CHANGES IN BUSINESS MODEL COMPONENTS

The responses indicate certain changes that have taken place within business models. These have been analyzed according to their respective trend in 0, but have been analyzed on where changes have taken place within the components of the DBAM model as well, see Figure 5-7, which is discussed in this section. Relevant coding can be found in Appendix E. The analysis in this section is done through identifying the sources of the changes in a category, which are the changes originating from the 9 trends. Aside from the source of changes, the changes themselves are analyzed as well. Changes were identified in the following elements:

- *Financial construction*
- *Resources (tangible such as capital and people/intangible such as knowledge)*
- *Network/actors*
- *Value proposition*
- *Relations*
- *Clients*
- *Strategy*

Through the identification of all changes that were implemented in the business models of property developers in the post GFC environment a categorization is created of those changes. This categorization allows for a better understanding of how the changes affect property developers in practice by clarifying what areas are affected in what way.

### 6.4.1 BM Changes in 'financial construction'

The responses that have been coded as part of changes in the *financial construction* (n=25) originate from 1 source, see Figure 6-25, and consist of 4 types of changes, see Figure 6-26. All changes originate from the *financial* (n=22) trend.

Changes in the *alternative financing sources* (n=8) include changes such as “looking for other sources of finance(shareholders)” (case21) and “tracking down alternative sources (private equity, family offices)” (case 23). Changes in the *decreasing financial risk* (n=8) category include “taking less risk” (case 2) or “steering on cash flow” (case 48). Changes such as *increased amount of equity* (n=5) and *changed financial structure* (n=4) are also mentioned.

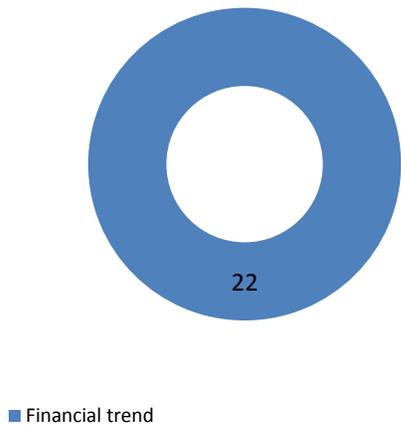


Figure 6-25 Sources of changes in financial construction (own ill.)

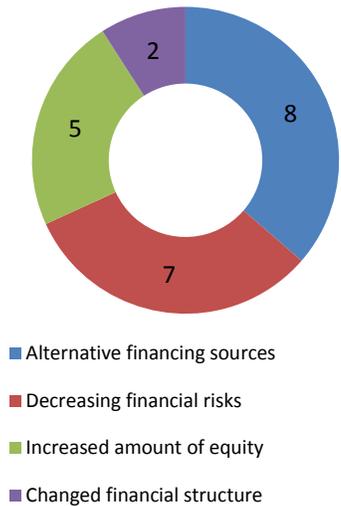


Figure 6-26 Coded changes in financial construction (own ill.)

### 6.4.2 BM Changes in 'Resources'

The responses that have been coded as part of changes in the *resources (tangible/intangible)* (n=34) originate from a total of 6 sources, see Figure 6-27, and consist of 5 types of changes, see Figure 6-28. The majority of changes in this category originate from the *size and location of developments* (n=11), *public-private roles* (n=8) and *sustainability* (n=5) trends. Furthermore some changes emerge from the *office market* (n=3), *financial* (n=2) and *supply to demand driven market* (n=1) trends as well as from *most important change* (n=4).

Changes from the *improved market & client knowledge/skills* (n=9) include “more knowledge driven development” (case 13) or “more on knowledge, skill and creativity” (case 40). Changes from the *increased skills/tasks that were previously of public parties* (n=9) include “we are taking over a lot of positions from public parties” (case 11) and “we have taken over tasks of municipalities” (case 3). Changes regarding *improved skills for complexity/urban development* (n=7) include “we are also doing management rather than just development” (case 21) or “process and risk management are increasingly important” (case 53). Changes regarding *Improved*

skills/people for sustainability (n=6) are “extra manpower for sustainability” (case 3) or “trained are own BREEAM experts” (case 41). Furthermore some developers indicate they are now using existing buildings (n=3).

By far the majority of changes in resources are non-tangible resources in the form of skills, which is logical considering the nature of work.

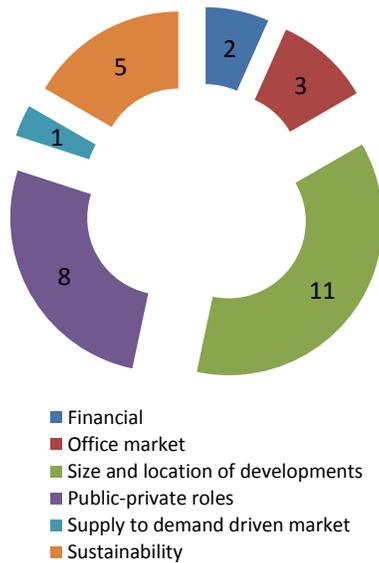


Figure 6-27 Sources changes in resources (own ill.)

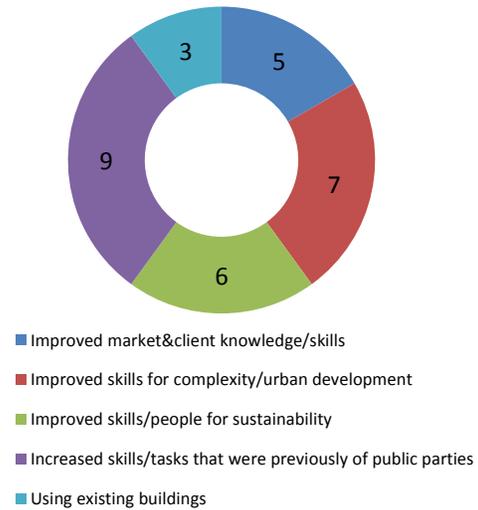


Figure 6-28 Coded changes in resources (own ill.)

### 6.4.3 BM Changes in ‘Network/actors’

The responses that have been coded as part of changes in the *network/actors* (n=15) originate from a total of 3 trends, see Figure 6-29, and consist of 3 types of changes, see Figure 6-30. The majority of changes in this category originate from the *financial* (n=6) and *public-private roles* (n=5) trends. Furthermore some changes emerge from the *size and location of developments* (n=3) trends and from *most important change* (n=1).

Changes in the *partnering over hiring/buying* (n=4) category include “strategic collaboration over risk bearing investment” (case 52) or “initiating plans with architects, contractors, market researchers on the base of no-cure no-pay” (case 18). Changes in the *changed collaboration with network* (n=10) category include “different ways of collaborating with parties” (case 22) or “we have started to collaborate directly with real estate funds” (case 41). Furthermore developers indicate they have *changed ways of contracting* (n=2).

Although *partnering over hiring/buying* is identified as a different aspect it is also a more specific form of *changed collaboration with network*. Therefore in the sub conclusions they will be combined as *changed collaboration with network* (n=13).

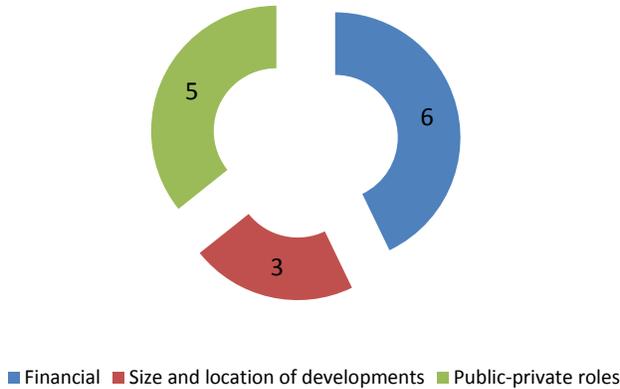


Figure 6-29 Sources of changes in network/actors (own ill.)

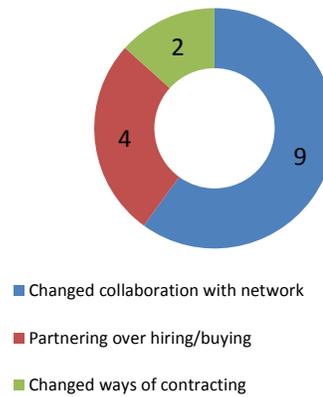


Figure 6-30 Coded changes in network/actors (own ill.)

#### 6.4.4 BM Changes in 'value proposition'

The responses that have been coded as part of changes in the *value proposition* (n=46) originate from a total of 7 sources, see Figure 6-31, and consist of 4 types of changes, see Figure 6-32. The majority of changes in this category originate from the *sustainability* (n=9) and *demographic* (n=9) trends. Furthermore changes emerge from the *office market* (n=7), *retail market* (n=4), *housing market* (n=3), *size and location of developments* (n=8) and *supply to demand driven market* (n=5) trends and from *most important change* (n=1).

Changes in the *change in types/concepts* (n=23) category includes responses such as “offices are prepared for maximum splitability” (case 21), “alternative use of vacant offices” (case 5) or “mixing retail and leisure” (case 18). Changes in the *value brought closer to client demand* (n=9) are “thinking of a concept that appeals to people” (case 19) or “demand driven, but answered with concepts(suit supply)” (case 40). Changes in the *sustainability (increased) as value* (n=9) include “we increasingly succeed in selling sustainability” (case 14). Changes in *locations* (n=5) are “the ‘Randstad’ is increasingly separating itself in values and in demand of buyers and tenants” (case 15)

Of the change in types/categories a considerable part (n=8) deals with elderly and specific housing types, as a consequence of the *demographics* trend. Another part of changes originates from *office* (n=7) including mainly aspects relating to flexibility of buildings and renovations. Furthermore *retail* (n=4) causes some changes such as combinations with leisure or e-commerce.

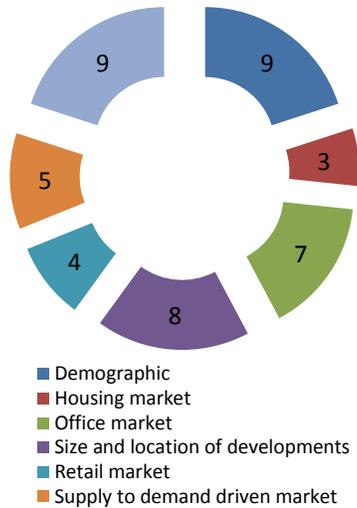


Figure 6-31 Sources of changes in value proposition (own ill.)

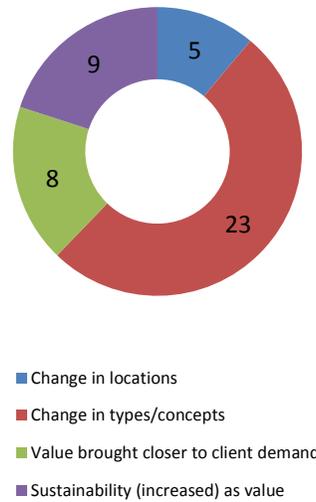


Figure 6-32 Coded changes in value proposition (own ill.)

### 6.4.5 BM Changes in 'clients'

The responses that have been coded as part of changes in the *client* (n=16) originate from a total of 4 trends, see Figure 6-33, and consist of 3 types of changes, see Figure 6-34. The majority of changes in this category originate from the *demographic* (n=6) and *housing market* (n=6) trends. Furthermore some changes emerge from the *size and location of developments* (n=2) and *office market* (n=2) trends.

Changes in the *more students/starters/1-2 person households* (n=7) include “we have developed many starter houses” (case 14) and “focus on rental and student housing” (case 12). Changes in *more elderly/care needing* (n=6) include “more attention for senior target groups in housing projects” (case 37). Furthermore some developers indicate there is a *shifting focus in clients*(n=3).

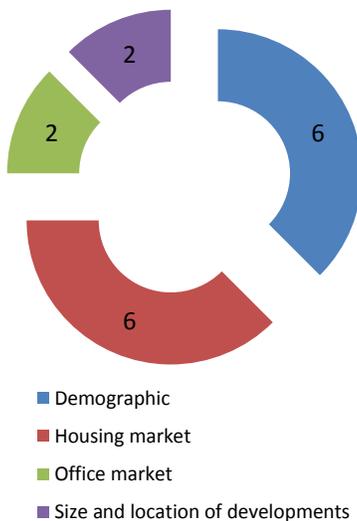


Figure 6-33 Sources of changes changes in clients (own ill.)

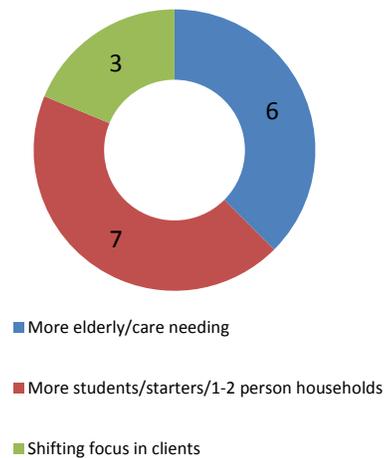


Figure 6-34 Coded changes in clients (own ill.)

### 6.4.6 BM Changes in 'relations'

The responses that have been coded as part of changes in the *relations* (n=24) originate from a total of 4 trends, see Figure 6-35, and consist of 3 types of changes, see Figure 6-36. The majority of changes in this category originate from the *supply to demand driven market* (n=14). Furthermore some changes emerge from the *housing market* (n=3), *the retail market* (n=4), *the retail market* (n=4), *size and location of developments* (n=1) and *most important change* (n=2) trends.

Changes in the *client has become more important* (n=9) include “*treatment of clients has becoming increasingly important*” (case 23) and “*the client has gotten structurally stronger in the process*” (case 32). Changes in *first create commitment, then start development* (n=7) include “*before the development location is acquired, the sales are already arranged*” (case 43) and “*first facilitate tenants and commit, than continue development*” (case 5). Changes in the *client has (increasingly) become part of the process* (n=7) include “*change from developing for the market towards developing with end users*” (case 16), “*co-creation*” (case 20) and “*findings the clients in clientpanels etc*” (case 42).

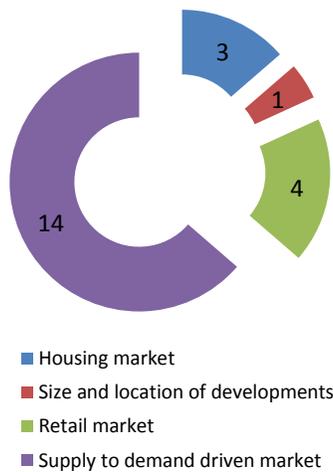


Figure 6-35 Sources of changes in relations (own ill.)

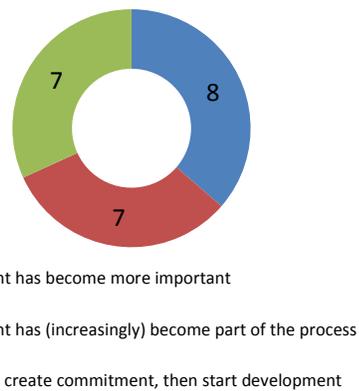


Figure 6-36 Coded changes in relations (own ill.)

### 6.4.7 BM Changes in 'Strategy'

The responses that have been coded as part of changes in the *strategy* (n=40) originate from a total of 5 trends, see Figure 6-38, and consist of 4 types of changes, see Figure 6-38. The majority of changes in this category originate from the *housing market* (n=11), *retail market* (n=9) and *office market* (n=11). Furthermore some changes emerge from *financial* (n=6) and *size and location of developments* (n=3) trends.

Changes in the *failing/halting business models* (n=16) include “*are old business model did not work anymore*” (case 3) and “*8/10 propositions have become useless*” (case 3). Changes in the *changing focus/repositioning* (n=14) category include “*focus even more on the development of housing*” (case 11) and “*we have chosen to reposition ourselves as a delegated developer*” (case 5). Changes in the *lower volume/delay* (n=6) category include “*clear lower volumes and a shrinking side of the business*” (case 40). Changes in the *smaller project sizes* (n=4) category include “*large projects are more often cut into smaller projects*”(case 7) and “*projects have become smaller*”(case 14).

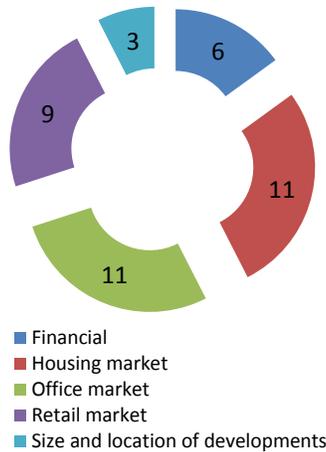


Figure 6-37 Sources of changes in strategy (own ill.)

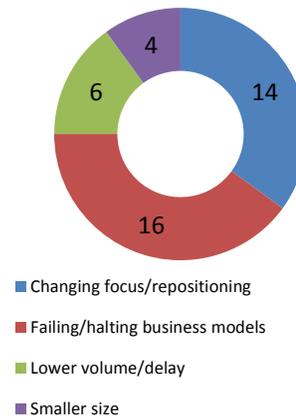


Figure 6-38 Coded changes in strategy (own ill.)

### 6.4.8 Change in different parts of the business model

Respondents were asked to indicate the amount of change in the different parts of the business model according to a 5 point Likert scale. The options ranged from *no change* to *very large change*. The results of this rating can be found in Table 6-14. Overall all parts of the business model score the identical median value (*change*) and very close mean values. In the *relationship with the client* the distribution shows a tendency towards the right (*large change* = 21). To a lesser degree a tendency towards the right can also be seen in *the client* as well as in *partners/companies within the network*. Furthermore, there is a large amount of respondents indicating to have undergone a *very large change* (n=11) in their *financial constructions*.

In general however the responses indicate that the changes in the business model are very identical and only very minor indications point towards differences in the intensity of changes. *Financial constructions* as well as *the client*, *the relationship* and the *network* seem to have undergone slight change.

	No change	Small change	Change	Large change	Very large change	MEDIAN VALUE	MEAN VALUE
<b>Product or service (Value proposition)</b>	3	16	18	15	1	Change	2.91
<b>The client</b>	6	11	14	18	4	Change	3.06
<b>The relationship with the client</b>	7	9	11	21	5	Change	3.15
<b>Partners/companies within the network</b>	2	11	21	18	1	Change	3.09
<b>Competencies of the company</b>	4	8	22	13	6	Change	3.17
<b>Financial constructions</b>	7	12	14	9	11	Change	3.09
<b>TOTAL</b>	29	67	100	94	28		

Table 6-14 Rating business model changes (own ill.)

### 6.4.9 Sub-conclusions business model changes

In this paragraph the outcomes of the of the analysis of the identified changes in business models are discussed. The main conclusions are:

- Respondents rate all business model components with a median value of *change* and the mean values of the different components are very closely packed. **Respondents consider all business model components to have undergone change, with no clear difference between different components.**
- Changes have been categorized into *very frequent* (n=10+), *frequent* (6-10) and *least frequent* (1-5), represented in Table 6-15. Value proposition (n=45), strategy (n=40) and resources (n=30) show the largest amount of changes. This does not imply that these aspects have changed to a different degree than other components as the gravity of the changes as well as the ease at which they are described could play a considerable role.

Business model component	VERY FREQUENT Identified: n=10+	FREQUENT Identified: n=6-10	LEAST FREQUENT Identified: n=1-5
Financial construction		-Alternative financing source (8) -Decreasing financial risks (7)	-Increased amount of equity (5) -Changed financial structure (2)
Resources		-Increased tasks/skills previously of public parties (9) -Improved market & client knowledge/skills (5) -Improved skills for complexity/urban environment (7) -Improved resources for sustainability (6)	-Using existing buildings (3)
Network/actors	-Changed collaboration with network (13)		-Changed ways of contracting (2)
Value Proposition	-Change in type/concepts (23)	-Sustainability as (increased) value (9) -Value brought closer to client (8)	-Change in locations (5)
Clients		-More elderly/care (6) -More small/low segment (7)	-Shifting focus in clients (3)
Relations		-Client has become more important (8) -Client has (increasingly) become part of the process (7) -First create commitment, then start development (7)	
Strategy	-Failing/halting business models (16) -Changing focus/repositioning (14)	-Lower volume/delays (6)	-Smaller size (4)

Table 6-15 identified business model changes in 3 categories (own ill.)

# ***7 CONCLUSIONS AND RECOMMENDATIONS***

## 7.1 POST GFC PROPERTY DEVELOPMENT

The global financial crisis of 2008 has had impact across most sectors, not excluding property development. Under challenging markets and decreased financial resources a new reality has formed (de Zeeuw, 2011; van Joolingen et al., 2009) to which property developers are adapting (Haak, 2015; Hooghiemstra, 2012; Meuwissen, 2012; Trooswijk, 2012).

This thesis focuses on understanding what the consequences of this changed environment have been for the functioning of property developers and how they have adapted their ways of doing business. Existing literature on urban development management or real estate focusses on specific topics, potential directions or certain projects. This research aims to contribute to this body of knowledge through a more general approach, identifying which aspects of this changed environment have been most relevant and what changes can be identified according to property developers in the way they conduct business. Business models are employed as a tool for the identification of such influences and changes, as business models represent the operational functioning of a firm.

The goal of this research is to provide an answer to the main research question that was formulated:

***What contextual changes can be identified after the global financial crisis, what trends follow from these changes, have these trends influenced property developer's business models and if so what have the changes in business models been?***

A series of sub-questions were formulated that lead up to answering this main question.

## 7.2 THEORETICAL RESEARCH

*Sub-question 1: what is property development and how has it evolved in the Netherlands?*

Property and area development are historically strongly influenced by economic conditions and public private relations (Putman, 2010). The GFC has had both considerable economic impact, but its effects extend further, as the enormous losses of municipal land companies have made them reconsider their role in property development (de Zeeuw, 2011). Property development as a field is undergoing continuous changes, such as an increase of Anglo-Saxon values (Heurkens, 2012), however certain distinguishable periods can be identified (de Zeeuw, 2011).

With the GFC serving as a clear demarcation of a new era of property development, this period can be seen as separate period referred to as **Post GFC property development**. This period is characterized by decreased capital availability under the increased equity demands enforced by banks. Furthermore imbalances seem to exist in the housing, retail and office markets and public parties are less willing to invest in property development under the devaluations of their land companies (van Joolingen et al., 2009).

*Sub-question 2: in which fields can changes can be identified that have influenced Dutch property development and what trends have these changes resulted in?*

Based on literature study on the changes that have occurred in recent years, and that have been of impact on property development and the real estate markets, a categorization was made that is translated into **9 trends**, see Table 4-2. **Financial** complications have led to decreased availability of capital, the **retail** and **office** markets are faced with declining demand while in the **housing** market demand is still growing but other market circumstances such as reduced financial capacity of consumers have led to diminished production of housing. Furthermore development is increasingly focused on complex urban projects and the scale of projects is decreasing, leading to a different **size and location of developments**. Demand is taking on an increasingly important role compared to before the GFC as a shift is taking place from a **supply to demand driven market**. Finally **sustainability**, **demographics** and public parties are increasingly withdrawing from development, leading to different **public-private roles**, are part of the changed context of post GFC property development. Particularly the market trends, capital availability, demand driven market and the scale of projects have a considerable link to the GFC as it has accelerated or emphasized problems in these fields. Other trends such as sustainability, public-private shifting roles and an aging population have a longer horizon and are part of ongoing process, thus have a less direct impact.

*Sub-question 3: what are business models and what is their relation to businesses?*

Business model literature has seen extensive growth from the start of the dotcom boom (Palo, 2014), gaining in relevance in both the scientific and business world. **“A business model describes the rationale of how an organization creates, delivers and captures value.”** (Osterwalder et al., 2010) As a tool it is a more operationally oriented tool, making it more tangible than strategy. Although strategy is inherently linked to business models, as strategy dictates the selection of a certain business model, see Figure 5-2, a strategy is the plan or intent behind certain decisions. In order to understand how the practice of a business has changed the analysis of its operational parts rather than the intent of a firm is more relevant. Making business models a good tool for understanding business in a practical way.

*Sub-question 4: how can business models be used to analyze property development firms?*

Aside from defining what business models are, a further step is required to make use of business model literature with regard to property development analysis. Business models in the field of real estate are sometimes

applied (Peek, 2012; Schouten, 2013; Uittenboogaard & Veldman, 2013), furthermore the often used Business Model Canvas has been used for regenerating existing models of a developer (ten Brink, 2013) as well as for the investigation of potential urban development trusts (Stumpel, 2014). These are all fragmented approaches using generic business model tools, of which the usefulness or applicability in the property development sector is untested.

Different models have different characteristics, for instance the Business Model Canvas as described by Osterwalder et al. (2010) is highly recognized as practical in its use by both scientists and practitioners and the V4 business model (Al-Debei & Avison, 2010) has a very extensive backing in existing literature, while lacking some of the usability of other models. In order to create a model specifically for the application of this thesis, practicality as well as a link towards existing literature is important. Based on the existing body of knowledge on business models a new model was created, referred to as the **Developer Business Analysis Model** or **DBAM**, see Figure 5-7.

The goal of this model is to function as a tool to analyze and categorize the changes that have taken place in post GFC property development and will form the basis for the empirical research.

#### Conclusions from the theoretical research

- The period of property development after the financial crisis in 2008, post GFC property development, is characterized by a series of trends.
- These trends are classified as (1) *financial*, (2) *office*, (3) *retail*, (4) *housing*, (5) *size and location of developments*, (6) *supply to demand driven market*, (7) *demographic*, (8) *public-private roles* and (9) *sustainability*.
- Business models capture the operational aspects of how a firm conducts business.
- A model is created, the DBAM, to analyze the business models of post GFC property developers.

## 7.3 EMPIRICAL RESEARCH

*Sub-question 5: have the identified trends impacted the business models of property developers, what influence can be identified and are there differences between typologies or sectors of property developers?*

### 7.3.2 Impact of trends

The responses show that for the population, of developers larger than the micro company size, see 3.4, on average all trends have had an impact on the business models of developers with median responses being mostly *influence*(7/9) and occasionally *minor influence* (2/9). This indicates that the identified trends in literature, as described in chapter -, are recognized by respondents and that **all post GFC environment trends influence property developer business models**.

The influence of trends can be rated very differently per developer with a wide spread of scoring over the different trends. The overall scoring ( $\mu=2.77$ ,  $SD=1.25$ ) further highlights the broad spread of results. When looking at the median scores per respondent these are for the majority in *minor influence* (20/53) or *influence* (22/53) and report a slightly lower spread with an average standard deviation of 1.1, indicating a slightly smaller but still a

considerable spread in scoring per developer. These findings indicate that **the impact of post GFC trends on business models is very heterogeneous amongst developers.**

The trend that scores the highest influence is the **financial** ( $\mu=3.11$ ) trend, closely followed by the shift from **supply towards demand driven markets** ( $\mu=3.08$ ). When closer inspecting the market trends from only the ratings of developers that are active in them these trends show very high scoring: **housing market** ( $\mu=3.54$ ), **office market** ( $\mu=3.38$ ) and **retail market** ( $\mu=3.39$ ). The GFC is damaging property development both in the front end through making capital acquisition difficult as well as damaging the rear end in the demand for, or ability of acquiring/leasing, real estate (Putman, 2010), which supports the finding that the financial trend on the one hand and the three market trends on the other are considered very important. The shift towards demand driven market can be seen as complementary as the efforts in securing the now limited availability of consumers has become more important for property developers.

When asked what developers considered to be the most important change in their business model 4 types of responses emerged, see 0. Most frequently mentioned was a *changed financial construction* ( $n=9$ ), which can be linked to the financial trend. Furthermore a *client orientation* ( $n=8$ ) and an *emphasis on market knowledge* ( $n=4$ ) were mentioned, which can be linked towards the supply to demand driven market. This supports the finding that the **financial trends** and the **supply to demand driven market** can be considered as most influential.

#### Conclusions on the influence of post GFC property development trends on business models

- All trends have influenced the business models of property developers.
- The influence of trends heterogeneous amongst developers.
- From a general perspective the influence of the financial trend scored highest, closely followed by the supply to demand market trend.
- The office, retail and housing market trends, when selected from a specific perspective of developers active in the respective sector(s), report the highest scoring.

### 7.3.3 Identified influence

Aside from the scoring, respondents indicated what the influence has been on business models in the form of open answers. The results of these answers are represented in Figure 7-1, where the size of the circle represents the frequency of a certain response. Furthermore some specific questions were asked in the location and size of developments trend, see 6.3.6. The following conclusions on what the impact has been on business models can be drawn from these responses:

- Under reduced capital availability the majority of developers indicate this influences their business models, a small part however indicates that their model has been unaffected
- Under reduced demand for offices most developers active in this sector indicate to have reduced developing in this sector, some indicate opportunities in redevelopment
- A similar effect is seen under decreasing retail demand, where developers are withdrawing from the field

- Housing production is low while demand still exists, which is recognized by developers which indicate to try to increase production through focusing on smaller housing or new concepts
- A large group of developers is shifting its focus towards urban location while another large group is indicating their focus is not shifting, no developers indicate to be focusing on less complex rural locations, see Figure 6-17. Many developers recognize that developments have become smaller, see Figure 6-18. On the one hand a small group exists that are focused on area development, and are increasingly doing so, state projects are becoming larger, while another small group of developers focused on buildings, and are increasingly doing so, indicated developments getting smaller.
- Property developers seems to be recognizing a decreasing public role, although some developers also indicate that the public role is only changing or that they see no change in roles
- Two groups exist regarding the trend that sustainability is becoming more important. Some developers are actively implementing sustainability while others take on a more passive approach and follow legislation or client demand.
- Most developers recognize the demand driven market and focus increasingly on the client, some indicate that for them this was already the case.
- Aging population is noticed but not considered very significant by most developers, some are considering specific products for this target group
- When asked what the most important change in business models was the majority answers either by stating financial construction or the increased client orientation, see Figure 6-24

#### Conclusions on the influence of post GFC property development trends on business models

- Most developers indicate the *financial* trend to have negative impact while some report no influence
- The *office* and *retail* market trends mainly lead to developers decreasing their production, while because of the *housing* market trend developers are attempting to increase production.
- A shift towards development in *urban areas* and towards *smaller projects* can be seen.
- Many developers recognize an increasing *private role*, some however consider the roles changing but the influence of public parties unchanged.
- Some developers considered themselves to already be *focused on demand* while other recognize the client as more important.
- Developers indicate that they follow legislation regarding *sustainability* or that it is of growing importance. Some developers indicate it has become an integral part of working.
- Most responses indicate the effects of an aging population are only *slowly developing*.

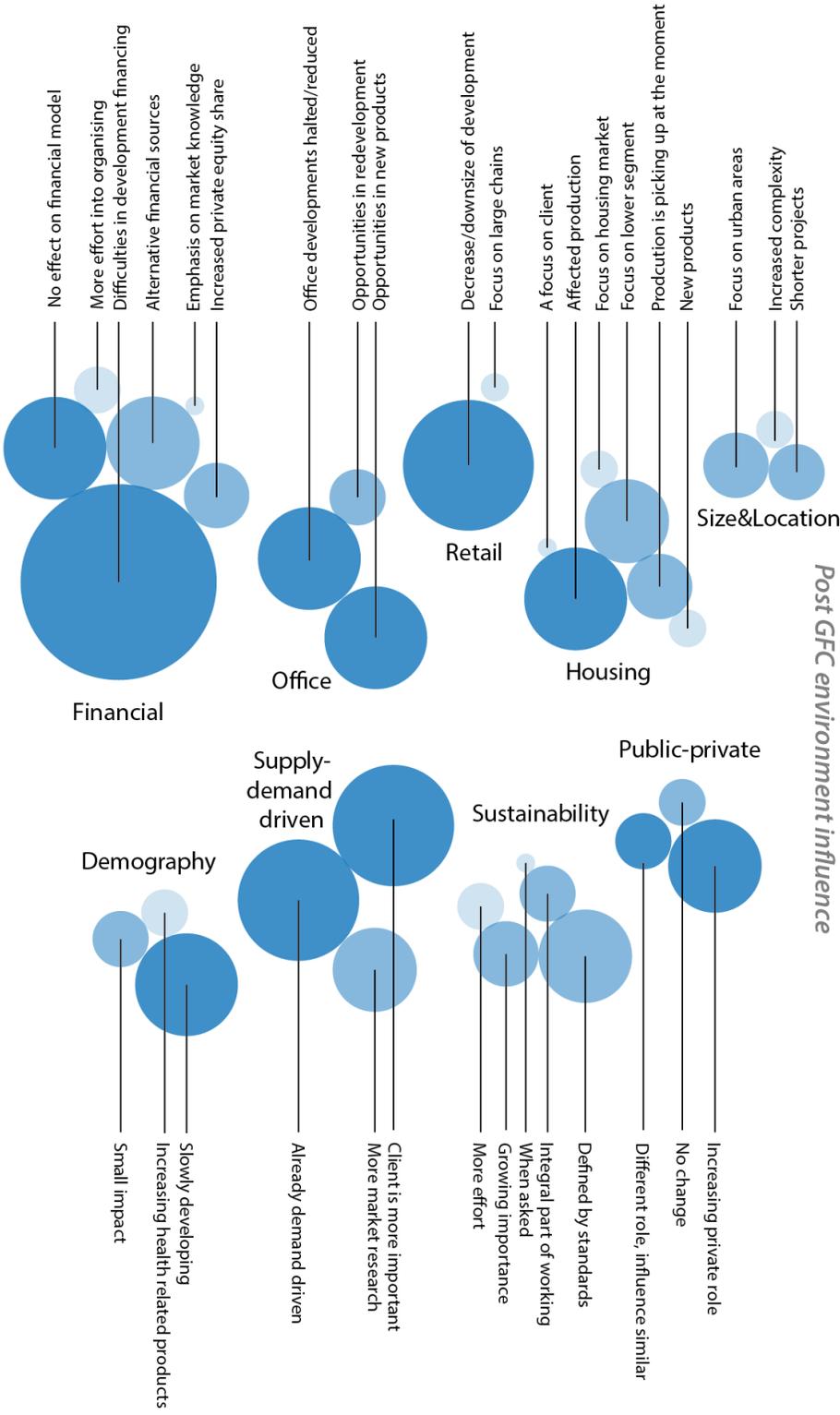


Figure 7-1 Influence on business models (own III.)

### 7.3.4 Differences in typology and sectors

When looking more specifically at the type of developers two types stand out. The **different core business developer**, as a developer typically developing in support of the core business and in specific projects (Nozeman & Fokkema, 2008) and not always being dependent on external financing, reports the **lowest influence of trends** while the **contractor related developers**, dependent on financing from its related contractor and typically active in large scale projects (Schiltmans, 2013), now both typically facing difficulties, is experiencing the **largest influence** from trends.

The financial trend has impacted contractor related developers the most and different core business developers the least, another interesting case are **financial institution related developers**. Although some experience issues and several banks have stopped property development, a considerable part reports **no influence or minor influence** of reduced **capital availability**.

Some developers that are not active in the office sector are influenced by the office trend, as opportunities in redevelopment are emerging for them, similarly some developers notice increasing possibilities in logistics space because of the online retail market, while not being active in retail themselves.

Developers **active in housing**, which is the majority, report a **higher influence of changing public-private roles**. As public private collaboration often is part of large urban development projects, which generally include housing (van Bortel et al., 2007), it is not surprising that developers in housing experience a larger influence than developers only developing offices, logistics or retail.

**Developers not active in housing** report **more influence of sustainability**. An important motivation for sustainability is often the PR and image part it can bring (van der Horst, 2010), which would be much less likely to see as relevant in housing than in for instance offices, retail or hotels.

#### Conclusions on the influence per typology and sector

- *Different core business developers* report the lowest influence from trends, this is likely because they are often working in support of the core business goals.
- *Contractor related developers* report the highest influence, this is likely because contractors are severely affected by economic downturn affecting their development branches as well.
- *Financial institution related developers* for a large part report no or limited influence from reduced capital availability.
- *Housing developers* report higher influence from changing public private roles, this is possibly because public private interaction mainly takes place in large scale projects involving housing.
- *Developers not active in housing* report more influence from *sustainability*, this is probably because of the benefits are more pronounced in other sectors in the form of PR or image.

### 7.3.5 Changes in business models

*Sub-question 6: what type of changes have these trends caused in business models?*

Respondents were asked to indicate the amount of change that has taken place in their business models as a consequence of changes in the post GFC property development environment. Although differences exist within each respondents ratings, all aspects of the business model changes, on average, were very similar. Respondents



Furthermore a large group of developers stated to have a change in types/concepts of their proposed value. A considerable part of the changes (n=8) originates from the aging population trend including changes such as care-homes. Considering the low perceived importance of this trend these changes can be seen as small additions to existing concepts. Furthermore some developers indicate to be making more flexible office space or to be working on redevelopment of offices. In retail some developers indicate combination with leisure is providing additional value.

Developers often indicate that a change has been the decreased functionality and therefore decreased employment of a business model, as a consequence of certain trends. Other developers indicate that they have decided to shift focus, for instance on housing, or to reposition themselves, for instance as redeveloper.

The following changes come forward within the business models of property developers:

- In **resources/activities** developers indicate they have improved their capabilities for *urban/complex environments, market and client knowledge and sustainability*. Furthermore developers indicate to have increasingly taken over *activities from public parties*.
- In **network/actors** developers indicate that *collaboration has changed*. Under changed market circumstances developers need to reduce risks, which is likely the main motivation for intensifying collaboration.
- In **value**, the main change indicated is a *change in type/concepts* such as elderly homes, more flexible offices or renovations. The changes mentioned in this category can for a large part be seen as additions to existing products. Furthermore developers indicate *sustainability* has become more included and that the value is more *closely aligned with client demand*.
- In **relations** developers indicate that they have increasingly *involved clients* and that they have become *more important*. Some developers indicate that they now *first create commitment, then start development*.
- In **clients** developers indicate they have created products for *elderly* and for a *smaller/lower segment*. These changes can be linked to the trends that the population is aging and that the household size is decreasing.
- In **financial constructions** developers indicate that they are using *alternative sources of finance* and have *increased the amount of equity in projects*. Furthermore they indicate they are *reducing financial risks*.

The following changes come forward regarding the implementation of business models:

- In **strategy** some developers indicate they are *changing their focus or are repositioning themselves*. Some developers indicate their business models are *failing/halting* but do not directly indicate related actions, which can be seen as a 'red-ocean' strategy. Finally some developers indicate they have decreased the amount a certain business model is employed through *lower volume/delays* or that they have decreased the scale of the models through *smaller size*.

### Conclusions on business model changes in the DBAM model

- A variety of changes can be identified in all aspects of the DBAM model, see Figure 7-2.
- Respondents consider that on average *change* has taken place in all parts of the business model
- Amongst respondents a lot of diversity exists, changes have been very *heterogeneous*

## 7.4 THEORETICAL IMPLICATIONS

From the information gathered in this thesis the question can be raised whether developers have adapted so called ‘blue-ocean’ strategies, trying to find new business, or ‘red-ocean’ strategies, competing over remaining business.

The large majority of changes within the business models of developers, as a consequence of post GFC property development trends, indicate that adaptations are being made and that developers are changing the way they conduct business. Some developers indicate for instance that they are *changing their focus*, are *involving clients* or are *changing concepts*, which can be seen as very specific attempts to find ‘blue-oceans’.

In the strategy part of the DBAM model a considerable amount of responses were *failing/halting of business models* ( $n=16$ ) or the *decreasing volume/slowing down* ( $n=6$ ) or *decreasing size* ( $n=4$ ). Such changes seem to indicate developers being in ‘red-oceans’ and accepting that they are to deal with more fierce competition under decreased demand.

When more specifically looking at the strategies suggested by authors in the early days of the GFC, as described in paragraph 2.6, a number of potential ‘blue-ocean’ strategies are identified (Peek, 2012; Putman, 2010; van der Ven, 2011; van Mierlo, 2010) discussing property development right after the GFC. The findings of this thesis indicate that some of these strategies have indeed been implemented by property developers, while no indications were found for some others.

The ‘blue-ocean’ strategies of which indications were found in this thesis:

- Strategies such as ‘**customer intimacy**’ (van Mierlo, 2010), ‘**focus on market knowledge**’ (Putman, 2010) and ‘**customer oriented**’ (van der Ven, 2011) can be identified as many developers indicate to have made changes in their relations, as well as increased their market knowledge and skills.
- A ‘**focus on cashflows**’ (Peek, 2012; van Mierlo, 2010) and ‘**competencies in organizing capital**’ (Putman, 2010) can also be identified under reducing financial risks, alternative financing sources and increased equity.
- ‘**A more prominent role of relations**’, ‘**more focus on process management**’ (Putman, 2010) and ‘**forming alliances**’ (van Mierlo, 2010) are all identified under changed collaboration with network.
- ‘**Product leadership**’ (van Mierlo, 2010) and ‘**concept oriented**’ (van der Ven, 2011) strategies are mentioned under the changes of value better aligned with clients as well as under new concepts.
- ‘**Specific market focus**’ (van Mierlo, 2010) seems to take place amongst the developers that are increasingly focusing on larger urban developments, or on smaller developments focused on buildings, as described in 6.3.6. ‘**Incremental/smaller development**’ (van der Ven, 2011) is also mentioned by

developers that state projects have become shorter or smaller in size, indicating this strategy is indeed taking place.

For some 'blue-ocean' strategies no or limited indications were found:

- **'Long term focus on the full lifecycle'** (Peek, 2012) was only mentioned once by a developer indicating to have included asset management in their portfolio.
- **'Fee-based property developers'** (van Mierlo, 2010) was only mention once in the responses
- **'Flexibility'** (van Mierlo, 2010) is mentioned in the form of products, however not in the sense that developers indicate to have made steps to be more flexible. Arguably the large amounts of staff that were dismissed (de Zeeuw, 2011) lead to smaller companies which are arguably more flexible.
- **'Involving new actors'** (Peek, 2012; van Mierlo, 2010) was not mentioned in any of the responses

From the findings in this thesis it can be concluded that property developers are indeed implementing 'blue-ocean' strategies and a variety of the suggested/potential/observed strategies in literature are identified. For other strategies from literature no indications or few indications were found. This does not imply however that these strategies have not taken place, but suggests that they might be less frequently implemented, that questions asked in the empirical part of this research do not evoke responses regarding such strategies or that they have been implemented in less conscious process.

At the same time some results indicate that developers, even though all developers report changes in their business models, are accepting that demand has decreased and that they will have to compete for remaining demand, being part of the 'red-ocean'.

## 7.5 MAIN RESEARCH QUESTION

*What contextual changes can be identified after the global financial crisis, what trends follow from these changes, have these trends influenced property developer's business models and if so what have the changes in business models been?*

A concise answer to the main research question of this thesis:

A variety of contextual changes can be identified in the period after the Global Financial Crisis in the field of property development, this period can be referred to as **post GFC property development**. The changes can be categorized as 9 trends, see **Table 4-2**.

All of these trends have influenced the business models of property developers, of which the **financial** and **supply to demand driven market** report the largest influence. Furthermore the *office, retail* and *housing* market trends score very high when regarded from the perspective of developers active in their respective categories. The differences in reported influence between respondents are large, indicating the **influence of trends on business models is heterogeneous amongst developers**. The influences are visualized in **Figure 7-1**.

These trends have caused a variety of changes in business models. In order to classify and identify these changes the DBAM, see Figure 7-2, is used. Property developers report on average that there is **change in all components**, when looking at individual responses the differences are also large, indicating that the amount of **change in business models because of these trends is heterogeneous**. The changes are visualized in **Figure 7-2**.

These changes imply that property developers are searching for 'blue-ocean' environments under the changed context of post GFC property development.

## 7.6 RECOMMENDATIONS

### 7.6.1 Recommendations for further research

A number of recommendations can be formulated to base further research on.

- *Implications of the post GFC environment on urban development.* The focus of this thesis was on property developers and their activities in general. This includes urban areas, but not exclusively. Larger projects are faced with difficulties of finances and their long timeframes and public parties have decreased available means, which are both very relevant for urban development. Researching the changes specifically in urban development projects could lead to interesting results.
- *Business models and actor analysis.* For this research a model was created for the analysis of the business models of property developers. Taking this model, or a new model, and specifically testing its applicability to the real estate sector could lead to a valuable addition of the tools usable for actor analysis. At the

moment more generic models are applied without further research supporting the validity of such applications (Schouten, 2013; Stumpel, 2014; ten Brink, 2013). The application specifically in this thesis show that business models can be used as a tool for actor analysis as it is used for the classification of changes, the model and its results however have not been validated.

- *Changes in specific business model elements or changes.* Each component of the business model in this thesis showed changes. Such changes, such as for instance the different collaboration with the network, could be analyzed in more detail. More specific insight into different aspects could provide valuable information for both property developers and other actors. Examples of such research exists on topics such as for instance co-creation (Straub, 2012).
- *Implications on specific typologies or sectors.* This thesis includes all typologies and sectors, which provides an overall view of changes for property developers. Some indications have been described in the conclusions that suggest differences exist between types and sectors. More detailed research into specific typologies or sectors can lead to more specific advice for developers or a better understanding of certain sectors.
- *The relevance of property developers.* As the focus has increasingly been shifting towards clients, away from risk bearing investment, it seems property developers are losing part of their influence. In two out of the three interviews the interviewees indicated, without the interviewer asking, that they at times were worried they were losing their added value. Researching the added value of property developers in property development could lead to a better understanding of this phenomena and the potential future of property developers.
- *Business models of other actors than the developer in property development.* Property developers do not play an exclusive role in property development. For instance the perspective of banks and their role of financing real estate projects or the role of municipalities under their decreased financial capabilities can provide additional insight of the post GFC property development environment.
- *International comparison of changes.* Through researching changes under the GFC in an international context, lessons could be exchanged on for instance successful 'blue-ocean' strategies. Furthermore such a comparison can improve the understanding of for instance changing client relations, if similarities or differences can be analyzed and suggestions can be made for practice.

### 7.6.2 Recommendation for practice

Several recommendations are formulated for practice based on the results of this thesis:

- It seems that the reaction on a changed environment can potentially differ a lot per developer. In recent years many developers have disappeared from the field or have reinvented themselves, sometimes in search of a so called 'blue ocean'. The findings of this thesis could serve as a basis of identifying what competition is doing, or in trying to pick up good ideas to expand or change the strategy. A particular

challenge in the search for such a 'blue ocean' is that as soon as other developers or actors start entering the same area of business this can quickly results in this new area becoming a 'red ocean'. In such a situation it could still be needed to switch, as this 'red ocean' might still be better than the current environment.

- For actors that work in close collaboration with developers or are active in the same environment as property developers this thesis can help understanding their functioning. Considerable events and changes have taken place in recent years which have affected the way property developers function. A better understanding by other actors can lead to an easier process. For instance the understanding that developers are increasingly looking for reduced risks could lead to more quickly finding common ground if risk reduction can be offered. It is important to note however that large differences exists between developers, implying there is no uniform way of understanding the changes of a particular post GFC property developer.
- Property developers can identify whether or not they have undergone changes in a similar way as most other developers. When for instance a developer would be realizing that in its position of being influenced by reduced capital availability is different from other developers, a better understanding of the strategic position can be gained. Understanding the position of the firm amongst others is relevant in creating a successful strategy.

# **8 REFLECTION**

## 8.1 METHODOLOGY

### 8.1.1 Literature study

The literature study regarding the changes in property development has been performed quite extensively and is based on different sources. In order to create a more manageable and understandable idea of which changes are part of the 'post GFC property development' environment these changes have been condensed into trends. A strong disadvantage of such trends is that they contain multiple changes, which particularly when posed in the survey can decrease clarity. Potentially some trends exist of which only a certain component has had influence, rather than the whole trend. The alternative of describing each unique change separately is unrealistic however and would likely not have led to better results.

The model that has been created in this thesis for the analysis of property development business models, the DBAM, has been based on a variety sources from literature. The functioning or validity of the model have not been tested however, which can potentially mean the model is not a clear or correct in its representation of property developer business models. In order to validate the correctness of the model it could for instance be tested against practitioners or experts in the field of business modeling.

The DBAM model was created to serve for the analysis of changes in property development business models. It has fulfilled this function and the model allowed for the categorization of all identified changes identified from responses. Particularly the addition of the strategy element, which is not included in many other models, allows for a more complete analysis of business models.

### 8.1.2 Survey

The term business model is extensively described and analyzed in literature. It is however not unlikely that although the term is familiar, it is perhaps not fully understood by respondents. Adding a description of what business models are to the survey could perhaps have led to a better understanding of respondents, and therefore more accurate results.

Furthermore the respondents have been selected from contact information that was made available through the Property NL or through other websites/magazines. Potentially this has led to a selection bias amongst developers, it is possible that a certain type of developer is more inclined to publish such information. As the composition of the total population is unknown it is at this point not possible to make a statement about the accurate representation of the population by the sample.

The open responses ask for a description of the influence on the business model. It is however unlikely that developers have entered all their experienced changes. The responses therefore provide an indication of the most relevant changes, but if a developer did not mention a certain change this does not imply that the change has not taken place.

The selection of respondents from either management or board level is good as the information gathered through the survey is of a strategic level that is typically addressed by the respondents.

Typically the advice is to keep the survey completion length under 10 minutes. The completion length of this survey was on average 15 minutes, which could negatively impact the completion rate or the questions at the end of the survey. This was seen in the responses as fewer open questions were completed towards the end of the survey.

### 8.1.3 *Semi structured interviews*

The initial idea of the interviews was to validate the findings of the survey and to explore unclear results. The amount of developers responding to emails for potential interviews was very limited however. Furthermore the processing of results did not result in a specific list of questions. In the interviews the findings up to that point were discussed, resulting in better understanding of how developers perceive and discuss such changes. However, potentially more use could have been had from the interviews if they had specifically been employed for validating results.

### 8.1.4 *Quantitative validity*

The convention in social science is to use a confidence level of 95%, this percentage explains how often the population would select the answers within the confidence interval. The confidence interval is also known as the margin of error, which is often targeted to be around 5% (Bryman, 2012). Unfortunately attaining a margin of error of 5% with a confidence level of 95% was not achieved in this study. In order to gain such a certainty in relation to the relatively small population of 217, a sample size of a 140 developers would be needed. Within the timeframe and resources of a thesis such an amount is not feasible.

This does not imply however that the findings in this research are not of value. A margin of error of around 12% will have to be taken into account regarding any quantitative findings of this research. Considering the very broad nature of this thesis and the goal of exploring the changes in property development, very strong quantitative statements are not essential in providing relevance.

### 8.1.5 *Qualitative aspects*

For qualitative research the following aspects can be taken into account regarding research quality (Groat & Wang, 2002):

- Credibility: which is establishing the 'truth' value, which can be improved through triangulation
- Transferability: the usability of results for other studies, which can be discussed
- Dependability: how consistent data has been obtained and dealt with, improved through proper documentation
- Confirmability: data and its interpretations should be confirmable, can be improved through proper documentation and triangulation

The methods of this thesis combine the use of both a quantitative questions on the influence of trends, combined with qualitative questions in which it was asked to describe those changes, which aids in better understanding the meaning of the values provided. Furthermore the interviews helped in reflecting the findings of the research, which to a certain extent triangulates the findings of the survey. Further steps could be taken regarding improving the credibility and confirmability of findings. For instance documents or other data could be analyzed, providing an additional source of information for the validation of results. Property developer board members have in this research provided all input data, cross examining with other sources could validate or refute findings that were made.

Transferability of this research can be considered as strong. Within the conclusion of this thesis the suggested changes by other authors are identified, which confirms their conclusions or suggestions. Furthermore the results from this thesis form a broad basis on which many other topics could be based, for instance by selecting a specific change for further research.

Finally dependability is dealt with by documenting all steps and all relevant information throughout the writing of this thesis. Most documents are available in the appendices and in case the documents were to large contact information was provided from which missing documents can be obtained.

More dependability could however be achieved by having other researchers coding the responses of the survey. Potentially different findings would results from such a secondary coding.

## 8.2 FINDINGS AND RELEVANCE

The findings in this research show many different influences that the changed market context of property development has had on the functioning of property developers. Findings regarding what property developers have done to adapt to new circumstance, or what the impact has been on their functionality is usable for a variety of purposes.

### 8.2.1 *Scientific relevance*

This thesis focuses on analyzing the general business functioning of property developers through their business functioning, improving the understanding of this actor in the scientific field. Property developers traditionally have a strong presence in the office and retail sector and have gained a more prominent role in the housing sector (Boelens & Visser, 2011), both in the years before and after the GFC their share of new production in housing has at all times been more than 50% (BPD, 2014). This highlights the relevance of understanding this stakeholder in the built environment of the Netherlands.

A disadvantage of the results in this thesis is that they are of a very broad nature. At times questions emerge about more details on specific influences or changes. Because of time-constraints and the scope of a master thesis it is not possible however to go more in depth in each individual change. In retrospect a focus on for instance a single developer typology or a single change, for instance financial changes, could have led to more in-depth results of a more practical nature.

An advantage of the broad nature of this research is that many suggestions for further research can be derived from the results by selecting for instance a certain influence, change, typology or sector in any combination.

Furthermore the Developer Business Analysis Model or DBAM as discussed in chapter 5 contributes to the connection between the knowledge fields of property development and Business models. Business models are a tool for analysis as well as synthesis (Palo, 2014) and play an important role in the findings of this research. The added value of business modeling is becoming more evident as it is more often used in a value contributing way. The author believes that the way the concepts is used the benefits of the methodology have become more evident, and potential future use could lead to the further development of the both the fields or property or area development, as well as business modeling.

Further research is needed to make more solid statements on changes in property development. For instance the indicated changes could be reflected on all developers in the sample, to identify the percentages of

the implementation of certain changes. This information would make the conclusions of the research more valuable in the scientific field.

### 8.2.2 Practical relevance

With many projects halted, property developers that have gone bankrupt and employees that have lost their jobs the property development sector has been dealt a considerable blow. Just before 2008 there were many signals of the great future ahead for area development (ING, 2006), which only a few years later has turned out incredibly different. The results of this thesis can be used by developers to better understand the consequences of contextual change in recent years. This improved understanding can be used to better prepare for potential future changes.

Furthermore property developers can use the findings of this research to better analyze their strategic position opposed to other developers. They can collect ideas for new strategies or business models and better understand the strategies and business models employed by the competition.

### 8.2.3 Societal relevance

Several problems exist within the built environment of the Netherlands. For instance affordability of housing is increasingly an issue and the shortage of housing is growing (Boelhouwer, 2014). Furthermore a large amount of vacancy exists on the office market and the future of many of these buildings is uncertain (Mulder, 2015). When policies are made or public actors are looking for collaboration with private parties in development the findings of this thesis can be used to better understand such actors. For instance the conclusions that property developers are looking to reduce risks could be used by public parties to quickly find common ground or leverage, by offering for instance certainties in planning or future use.

## 8.3 PERSONAL REFLECTION

The personal learning goals of this thesis were to learn how to setup a large research project, to increase analytical skills and to gain more insight into the practice of property development. Considering the completion of this thesis it can be concluded that these goals have been met.

At the same time the writing of this thesis has led to more personal insight on taking on a workload that is difficult to keep up to standard for a longer period. After some very busy years and various activities, such as attempting to set up a company and completing a second master, the writing of this thesis and the required productivity and performance suffered. This process has helped in gaining the knowledge to make better judgment calls and preventing such issues in the future.

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# ***10 APPENDICES***

**APPENDIX A LITERATURE CHANGE CATEGORIZATION**

	<b>Putman, 2010</b>	<b>Mierlo, 2010</b>
<b>Financing</b>	Capital is more scarce and demands for making capital available will be higher	Structural change in the financial markets have made capital demands higher
<b>Office market</b>	Remaining demand is qualitative, absolute demand will be less than in the past	Lower demand, aging population causing further decrease
<b>Retail market</b>	Remaining demand is qualitative, absolute demand will be less than in the past	Lower total demand, focus on 'convenience, fun and target shopping'
<b>Housing market</b>	Quantitative housing demand is likely to decrease, particularly outside of cities, putting more focus on the quality of households.	Many area developments are no longer feasible. However, because of decreasing household size total demand is increasing.
<b>Size and location of developments</b>	Policy is focusing more on inner-city development, which will show in coming years. More developments in existing areas will shift the focus towards replacement or transformation.	Stronger differentiation between shrink and growth areas, more inner-city and increased complexity.
<b>Supply to demand driven market</b>	Consumers are likely to become more critical, and increase their (qualitative) demands	From 'supply to demand' and from 'quantity to quality'
<b>Demographic changes</b>	Aging and in some locations shrinking population will cause vacancy, in cities the effects are expected to be limited	Aging population and decreasing growth.
<b>Public-private balance</b>	Public parties are faced with smaller budgets, as they are responsible for public space this is likely to have consequences	More required capital input from developers have made joint ventures and concessions difficult
<b>Sustainability</b>	Growing attention is causing more emphasis on how to build with scarce resources	Sustainability is becoming more and more important

	<b>Peek, 2012</b>	<b>Franzen and de Zeeuw, 2008</b>
<b>Financing</b>	Banks and investors have become more restrained in providing capital and look for more certainties	Financing has structurally changed and higher equity demands are likely to remain
<b>Office market</b>	7 mln square meter is empty, while 2 mln would be healthy	Replacement rather than new buildings
<b>Retail market</b>	Large additions in the past and decreasing demands have led to vacancy	Likely to consist out of restructuring
<b>Housing market</b>		Demand for housing likely to recover, particularly in stronger regions
<b>Size and location of developments</b>	With new production lowering, the emphasis is on the existing	
<b>Supply to demand driven market</b>	The use and the user are gaining a more prominent place	

<b>Demographic changes</b>		
<b>Public-private balance</b>		The future of public parties in development is uncertain, as they realize risks are very large.
<b>Sustainability</b>	The built environment is responsible for a major part and increasing demand impact the field	Sustainability is high on the agenda

	<b>van Joolingen and Franzen, 2009</b>	<b>van der Ven, 2011</b>	<b>Ten brink, 2013</b>
<b>Financing</b>	Development rights are revalued and financing possibilities are diminished	Demands of financiers are becoming more strict	Capital has become a scarce good
<b>Office market</b>	The office market is dealing with a structural oversupply		Shrinking organizations and square meters per employee are examples of causes of decreased demand
<b>Retail market</b>	Retail is likely to become more concentrated		Although retail is hit by reduced consumer confidence retail property, particularly high end locations, continues to be a desirable asset
<b>Housing market</b>	A considerable correction in house prices has led to halting production of houses	Stagnation in housing market	Reduced consumer confidence and a trend towards higher quality demands increase the difficulties of the housing sector
<b>Size and location of developments</b>		Focus is on inner-city developments	
<b>Supply to demand driven market</b>		Supply driven changes towards demand driven	
<b>Demographic changes</b>		Aging population and shrinking areas	
<b>Public-private balance</b>	Budget cuts and land value depreciation will have consequences for public parties in property development	Collaboration is often adjusted	
<b>Sustainability</b>		Sustainability, environment and energy efficiency are becoming leading themes	

## APPENDIX B PROPERTY DEVELOPER SURVEY COVER LETTER

Geachte heer ...,

Middels deze e-mail zou ik circa 10 minuten van uw tijd willen vragen voor mijn afstudeeronderzoek aan de Technische Universiteit te Delft.

Mijn onderzoek heeft betrekking op de veranderingen die de bedrijfsmodellen in de ontwikkelsector ondergingen. Hieronder een korte toelichting.

De afgelopen jaren kreeg de Nederlandse ontwikkelaarsbranche te maken gekregen met enkele grote veranderingen en trends. Voorbeelden hiervan zijn beperkte financieringsmogelijkheden voor veel actoren en veranderingen in de publiek-private verhoudingen.

Met bedrijfsmodellen kan een bedrijf overzichtelijk in kaart gebracht worden de effecten van een verandering op dit bedrijf op een rij worden gezet.

Inmiddels is er veel geschreven over waar de sector naar toe zou kunnen gaan en welke veranderingen wenselijk zouden zijn voor de sector. Daarnaast is onderzoek gedaan naar innovaties.

Kennis over in welke mate verschillende trends daadwerkelijk invloed hebben gehad op bedrijfsmodellen is echter beperkt aanwezig.

Behalve dat kennis interessant is stelt het de branche in staat kansen te identificeren en beter te begrijpen waar de uitdaging ligt.

Het onderzoek richt zich specifiek op de veranderingen in de bedrijfsmodellen van ontwikkelaars, die plaats hebben gevonden sinds het aanbreken van de crisis.

Het Doel

Het doel van dit onderzoek is een duidelijke analyse van en voor ontwikkelaars over veranderingen in de sector.

Naast een bijdrage aan de bewustwording van de sector geeft dit onderzoek inzicht in wat er tot op heden daadwerkelijk is veranderd in de ontwikkelbranche.

De volgende vraag kan hiermee beantwoord worden:

Wat is er nu écht veranderd door de crisis?

Enquête

Om antwoord te kunnen geven op deze vraag is de input van zo veel mogelijk Nederlandse ontwikkelaars gewenst.

Ik zou daarom circa 10 minuten van uw tijd willen vragen voor het invullen van een korte enquête.

Na verwerking van de gegevens zal er een korte en bondige samenvatting van de belangrijkste conclusies worden verstuurd. Uiteraard zal zorgvuldig en vertrouwelijk met uw respons worden omgegaan.

De enquête is toegankelijk via de onderstaande link:

<http://stds.collector-survey.tudelft.nl/ng.cfm?r=0EF01475-6E47-452A-8860-5A4BBC6B10E3>

Ik zie uw reactie graag tegemoet. Bij voorbaat dank voor uw medewerking.

Met vriendelijke groet,

Bob Bogers

## APPENDIX C PROPERTY DEVELOPER SURVEY

### Algemene informatie

1. Hoeveel werknemers zijn werkzaam bij uw bedrijf?

(Indien uw bedrijf projectontwikkeling niet als core-business heeft, vul dan het aantal werknemers van de ontwikkel bedrijfstak in)

1-4

5-9

10-19

20-49

50-100

100+

2. In welke van de onderstaande categorieën zou u uw bedrijf plaatsen?

Onafhankelijke ontwikkelaar

Ontwikkelaar gerelateerd aan financiële instellingen

Ontwikkelaar gerelateerd aan investeerders

Ontwikkelaar gerelateerd aan constructiebedrijven

Ontwikkelaar gerelateerd aan bedrijven met een andere core-business

3. In welke van de onderstaand sectoren is uw bedrijf actief?

Woningbouw

Retail

Kantoren

Industrieel/logistiek

Anders, namelijk

4. Was uw bedrijf actief voor 2008?

Ja

Nee

5. Verwacht u dat uw bedrijf in de toekomst nog actief zal zijn binnen vastgoed of gebiedsontwikkeling?

Ja

Nee

### De invloed van verschillende trends op het bedrijfsmodel

In dit onderdeel van de enquête worden er verschillende trends beschreven en wordt van u gevraagd de invloed van deze trends op uw bedrijfsmodel te beschrijven.

#### **Trend 1 : Financiering**

Financiering voor vastgoedprojecten is lastiger geworden.

6. Hoe groot is de invloed van deze trend op het bedrijfsmodel van uw bedrijf geweest?

- Geen invloed
- Enige invloed
- Redelijke invloed
- Veel invloed
- Zeer veel invloed

7. Wat is het belangrijkste gevolg van deze trend voor het bedrijfsmodel van uw bedrijf geweest? (In enkele kernwoorden)

### **Trend 2: Kantorenmarkt**

Door economische omstandigheden en veranderde kantoorconcepten, zoals het nieuwe werken, is er een kleinere en veranderde vraag naar kantoren.

8. Hoe groot is de invloed van deze trend op het bedrijfsmodel van uw bedrijf geweest?

- Geen invloed
- Enige invloed
- Redelijke invloed
- Veel invloed
- Zeer veel invloed

9. Wat is het belangrijkste gevolg voor het bedrijfsmodel van uw bedrijf geweest? (In enkele kernwoorden)

### **Trend 3: Retail**

Veranderd consumentengedrag en internetretail zorgen voor een lagere en veranderende retail-vraag.

10. Hoe groot is de invloed van deze trend op het bedrijfsmodel van uw bedrijf geweest?

- Geen invloed
- Enige invloed
- Redelijke invloed
- Veel invloed
- Zeer veel invloed

11. Wat is het belangrijkste gevolg voor het bedrijfsmodel van uw bedrijf geweest? (In enkele kernwoorden)

### **Trend 4: Woningbouw**

Hoewel de productie de afgelopen jaren laag is geweest zorgen kleinere huishoudens en bevolkingsgroei nog steeds voor vraag naar woningen.

12. Hoe groot is de invloed van deze trend op het bedrijfsmodel van uw bedrijf geweest?

- Geen invloed

Enige invloed  
Redelijke invloed  
Veel invloed  
Zeer veel invloed

13. Wat is het belangrijkste gevolg voor het bedrijfsmodel van uw bedrijf geweest? (In enkele kernwoorden)

**Trend 5: Verschuivende nadruk**

Ontwikkelen schuift richting complexere stedelijke gebieden, daarnaast wordt de schaal van ontwikkelen kleiner.

14.

Heeft er een verschuiving plaatsgevonden binnen het bedrijfsmodel van uw bedrijf?

Een verschuiving naar binnenstedelijke locaties  
Er heeft geen verschuiving plaatsgevonden  
Een verschuiving naar locaties met een minder ingewikkelde context  
Anders, namelijk

15. Is de omvang van de ontwikkelingen binnen uw bedrijf veranderd?

Ontwikkelingen zijn kleiner geworden  
Ontwikkelingen zijn van een vergelijkbare grootte gebleven  
Ontwikkelingen zijn groter geworden  
Anders, namelijk

16. Ligt de nadruk binnen uw bedrijf met name op gebouwen of gebieden?

De nadruk ligt op gebouwen  
De nadruk ligt op beide  
De nadruk ligt op gebieden  
Anders, namelijk

17.

Is de nadruk van het ontwikkelen van gebouwen of gebieden veranderd?

De nadruk is verschoven naar gebouwen  
De nadruk is niet veranderd  
De nadruk is naar gebieden verschoven  
Anders, namelijk

18.

Hoe groot is de invloed van deze trend op het bedrijfsmodel van uw bedrijf geweest?

Geen invloed  
Enige invloed  
Redelijke invloed  
Veel invloed  
Zeer veel invloed

19. Wat is het belangrijkste gevolg voor het bedrijfsmodel van uw bedrijf geweest? (In enkele kernwoorden)

**Trend 6: Publiek-private verhouding**

Publieke partijen spelen in toenemende mate een kleinere rol in maatschappelijke beslissingen. In gebiedsontwikkeling wordt een prominentere rol van private partijen verwacht.

20.

Hoe groot is de invloed van deze trend op het bedrijfsmodel van uw bedrijf geweest?

Geen invloed

Enige invloed

Redelijke invloed

Veel invloed

Zeer veel invloed

21. Wat is het belangrijkste gevolg voor het bedrijfsmodel van uw bedrijf geweest? (In enkele kernwoorden)

**Trend 7: Duurzaamheid**

Duurzaamheid is een steeds belangrijkere rol gaan innemen.

22. Welke invloed lijkt duurzaamheid gehad te hebben op uw bedrijf?

Geen effect

Gerelateerd aan verkoopkwaliteiten

Gerelateerd aan het type ontwikkelingen

Veranderingen in de aanpak van alles wat het bedrijf doet

23. Hoe groot is de invloed van deze trend op het bedrijfsmodel van uw bedrijf geweest?

Geen invloed

Enige invloed

Redelijke invloed

Veel invloed

Zeer veel invloed

24. Wat is het belangrijkste gevolg voor het bedrijfsmodel van uw bedrijf geweest? (In enkele kernwoorden)

**Trend 8: van aanbod naar vraaggestuurd**

Ontwikkelen verschuift van aanbodgericht naar vraaggestuurd.

25. Hoe groot is de invloed van deze trend op het bedrijfsmodel van uw bedrijf geweest?

Geen invloed

Enige invloed

Redelijke invloed

Veel invloed

Zeer veel invloed

26. Wat is het belangrijkste gevolg voor het bedrijfsmodel van uw bedrijf geweest? (In enkele kernwoorden)

**Trend 9: Maatschappelijke verandering**

De bevolking in Nederland is aan het vergrijzen.

27. Hoe groot is de invloed van deze trend op het bedrijfsmodel van uw bedrijf geweest?

- Geen invloed
- Enige invloed
- Redelijke invloed
- Veel invloed
- Zeer veel invloed

28. Wat zijn de belangrijkste gevolgen voor het bedrijfsmodel van uw bedrijf geweest? (In enkele kernwoorden)

29. Welke van de volgende trends verwacht u de komende 10 jaar door te zien zetten?

- Moeilijkere financiering
- Kleinere vraag naar kantoren
- Consumentenverandering en internetretail
- Stijgende woningvraag
- Verschuiving naar ontwikkelen in de stad
- Nadruk op private partijen in gebiedsontwikkeling
- Duurzaamheid
- Vraaggestuurd ontwikkelen
- Vergrijzende bevolking

30. Zijn er trends die hier niet vermeld staan en die wat u betreft ontbreken?

31. Het bedrijfsmodel kan gezien worden als bestaande uit een aantal losse onderdelen. Hoe groot was de verandering in de hieronder genoemde onderdelen?

*Het product of de dienst*

*De klant*

*De relatie met de klant*

*Partners/bedrijven in het netwerk*

*Competenties van het bedrijf*

*Financieringsconstructies*

- Geen
- Enige
- Redelijke
- Veel
- Zeer veel
- verandering

32. Wat was volgens u van de eventuele veranderingen sinds 2008 de belangrijkste verandering in het bedrijfsmodel van uw bedrijf?

33. In het vervolg van dit onderzoek wordt er dieper ingegaan op de resultaten van de enquête doormiddel van een aantal interviews en case-studies. Bent u bereidt mee te werken aan een dergelijk interview?

Ja

Nee

34. Contactgegevens

Naam

35. E-mailadres

36. Telefoonnummer

## APPENDIX D SURVEY RESPONSES

The file containing all survey responses, or responses within the population of this thesis, can be requested through [bob\\_bogers@hotmail.com](mailto:bob_bogers@hotmail.com)

## APPENDIX E SURVEY CODING

The following codes were used:

### Code-Filter: All

---

HU: PDS\_WORKING\_10.0  
 File: [H:\Desktop\AFSTUDEREN\PDS\_WORKING\_10.0.hpr7]  
 Edited by: Super  
 Date/Time: 2015-09-18 09:11:49

---

**ABM\_Changed financial construction**  
**ABM\_Client orientation**  
**ABM\_Closer collaboration with network**  
**ABM\_Emphasis on (market)knowledge**  
**BM\_Client**  
**BM\_Compencies/resources**  
**BM\_finance**  
**BM\_network**  
**BM\_Relations**  
**BM\_strategy**  
**BM\_Value proposition**  
**CLI\_More elderly/care needing**  
**CLI\_More students/starter/1-2 person households**  
**CLI\_Shifting target group focus**  
**DEM\_(slowly) developing market**  
**DEM\_Increasing health related facilities**  
**DEM\_Small or limited impact**  
**EMP\_Shorter projects**  
**EMP\_Complexity**  
**EMP\_Focus on urban areas**  
**F\_Alternative financial source/construction**  
**F\_Difficulties in development financing**  
**F\_Financing model unaffected**  
**F\_Increased effort in arranging finance**  
**F\_Private equity of increased importance**  
**FIN\_Alternative financing sources**  
**FIN\_Deceased risk**  
**FIN\_Equity**  
**FIN\_Financial structure**  
**H\_Focus on lower/smaller segment**  
**H\_Increasing focus on housing market**  
**H\_increasing production**  
**H\_new concepts**  
**H\_uncertainties affecting production**  
**NET\_Changed collaboration**  
**NET\_different ways of contracting**  
**NET\_Partnering over hiring**  
**O\_office developments decreased or halted**  
**O\_opportunities in new products**  
**O\_opportunities in redevelopment**  
**PPP\_different role, similar influence**  
**PPP\_increased private role**  
**PPP\_no noticable change in roles**

**R\_decrease or downsizing of retail developments**  
**R\_focus on large chains such as supermarkets**  
**REL\_Client has become more important**  
**REL\_Client has become part of process/interaction**  
**REL\_First create commitment, than start development**  
**RES\_improved market&client knowledge/concepts**  
**RES\_improved skills for complexity**  
**RES\_increased skills in sustainability**  
**RES\_increased skills/tasks from municipalities**  
**RES\_Use of existing buildings**  
**STR\_changing focus/repositioning**  
**STR\_Failing/halting business model**  
**STR\_Lower volume/delay**  
**STR\_Smaller project size**  
**SUP\_More market research or securing sales**  
**SUP\_The client is involved or is of more importance**  
**SUP\_Were already demand driven**  
**SUS\_Defined by standards or following developing trends**  
**SUS\_Growing importance**  
**SUS\_Integral part of working**  
**SUS\_More effort into sustainability**  
**SUS\_When wanted by client(s)**  
**VAL\_Change in locations**  
**VAL\_Changed types/concepts**  
**VAL\_Closer to client demand**  
**VAL\_Sustainability as a value**  
**Z\_Additioneletrends**  
**Z\_BMchange**  
**Z\_Demo\_open**  
**Z\_Financiering\_open**  
**Z\_Housing\_open**  
**Z\_Kantoor\_open**  
**Z\_Nadruk\_open**  
**Z\_PPP\_open**  
**Z\_Retail\_open**  
**Z\_Supply\_open**  
**Z\_Sustain\_open**

More detailed coding info can be requested through [bob\\_bogers@hotmail.com](mailto:bob_bogers@hotmail.com) (full coding list including quotes is 184 pages long)

## APPENDIX F ADDITIONAL TREND SUGGESTIONS

The question that was asked: *Zijn er trends die hier niet vermeld staan en die wat u betreft ontbreken?*

Classification	Response
<b>BM trend</b>	Kantoorconcepten op basis van ontmoeten (connect & share) en nieuwe organisatiemodellen (minder hiërarchie en bureaucratie).
<b>Trend</b>	Bezit wordt minder belangrijk. Gebruik en sneller wisselen van woning/werk wordt komende jaren een thema.
<b>BM trend</b>	Slimme woningen die de consument een nog betere woonbeleving laten ervaren
<b>BM trend</b>	Technologische ontwikkeling van gebouwen en workplace sharing!
<b>BM trend</b>	blue ocean. Meer binnenstedelijke destinations creëren waar mensen/bedrijven bij willen horen en willen zijn. Positieve ballotage.
<b>BM trend</b>	Vernieuwen van huidige woningvoorraad. Dus van meer kleinere appartementen minder appartementen maken die meer ruimer zijn, betere kwaliteit hebben en daarmee beter aansluiten op de wensen en eisen van de ouderen van nu.
<b>BM trend</b>	Herontwikkeling
<b>Trend</b>	Leegloop in krimpgebieden. Bij gebieden welke tussen het midden/westen van het land en de krimpgebieden liggen is er nog een (beperkte) kwalitatieve vraag.  Langzamerhand zullen er problemen ontstaan bij VVE's van oudere gebouwen. Veelal is de financiële reserve niet voldoende voor het (achterstallig) onderhoud.  Verpaupering van bedrijventerreinen.
<b>Miscellaneous</b>	lastig te voorspellen/ veel hangt af van ontwikkelingen binnen het mondiale financiële systeem. Wat heeft dat voor invloed op bestaand vermogen van bedrijven en consumenten?
<b>Trend</b>	In alle opzichten een verandering in wonen door de invloed van smart city achtige ontwikkelingen Dit zal een grote invloed hebben op gebiedsontwikkelingen en bijvoorbeeld ouderenzorg en dergelijke Denk ook maar aan digitaal bestuurde auto's en de invloed op infra en parkeren Etcetc
<b>Trend</b>	Nog sterkere concentratie van nieuwe kantoorontwikkelingen op een beperkt aantal toplocaties, ten koste van mindere locaties.
<b>Trend</b>	krimp buiten Randstad, Energie gaat steeds goedkoper worden, woningen worden kleiner, vraag naar 2e woning wordt groter

<b>Trend</b>	Stad voor jongeren en ouderen. Buitengebied voor gezinnen
<b>BM trend</b>	meer gecombineerde ontwikkelingen. Dus daar waar mogelijk het meer mengen van functies.
<b>Trend</b>	Bijna alle punten zijn geen trends meer voor 10 jaar maar reeds nu al aanwezig (je loopt achter), op termijn zal betaalbaarheid van wonen gaan domineren, kwaliteit van deab woningen staat onder druk, grondprijzen zijn kunstmatig hoog door gemeenten
<b>Trend</b>	Verschuiving van eigendom naar gebruik

## APPENDIX G INTERVIEW KIKX

This appendix is a transcript of the interview held with Bart van Sliedregt, director of KIKX Development, held on 18/08/2015.

- **Is voor u het financieren van vastgoed moeilijker geworden en wat zijn daar de gevolgen van geweest?**
- BvS: Voor de crisis ging ik naar de bank, als bedrijf, en dan zei ik: bank, ik heb geld van u nodig, want ik ga onroerend goed ontwikkelen. Dat onroerend goed dat activeer je daar, dus wij maakten kosten, betaalden salarissen, architecten, grond aankopen, en in plaats van dat we dat over de winst en de verliesrekening zouden laten lopen, en dat gewoon als verlies werd geboekt, zeiden wij, dat zijn projecten in ontwikkeling, bijvoorbeeld 100.000,-, nou, hier, 200, en dan ging ik naar de bank en dan zei de bank: nou, ik wil jou best financieren, maar jouw solvabiliteit moet wel boven de 25 worden. En wat .....(minuut 0.50) in die jaren deden, dit is nou boekhouden, als ik hier iets zeg, moet het ook aan twee kanten komen, dus ze zeiden: nou ja, goed, bank, leen mij 75 en ik heb echt winst gemaakt op dit project, dus ik activeer eigenlijk m'n toekomstige winst.
- BvS: Jaren lang werden ontwikkelbedrijven op die manier gefinancierd. Die werden gefinancierd als sector op onze balans. En niet op de onderliggende lagen van verrekening. Dus de paradox was dat je krijgt twee soorten financieringen, je krijgt je bedrijfsfinanciering, dus waar de ontwikkelaar de meeste problemen mee hebben, die krijgen ze niet meer, je krijgt geen financiering meer omdat ik een bedrijf ben, je krijgt nu alleen nog maar projectfinanciering. Want projectfinanciering, daarvan zegt de bank: we hebben een solvabiliteit van 94% en eigen geld, maar dan nog zegt de bank niet: we moeten een beetje helpen, omdat de bank zelf een solvabiliteit van misschien net 6% heeft. Dat gaat niet helpen, want wij zitten nou éénmaal in een sector waar zij een beetje zenuwachtig van worden. Het gaat om heel veel geld en de ontwikkelaars hebben dat zelf een beetje verknoeid. Dus nu worden we alleen nog maar gefinancierd op projectbasis. Dat maakt het ook nog lastig, want ook dat systeem is veranderd. In de jaren voor de crisis zei de bank tegen ons, voor dat project, daar ga jij van ons 85% financiering voor krijgen. Dus 15% eigen vermogen. En hoe financier ik dat nou? Ik zeg: bank, dat apparaat dat kost 5% en ik ga met dit project 20% verdienen, dus daar zit 25% dekking op dit project en dan krijgen we van die bank 85%. Daarvan kunnen we alle kosten betalen.  
Nou, dat doen we tegenwoordig anders. Banken zeggen nu: luister we vinden je heel aardig en fijn dat je een projectontwikkelaar ben, maar dit doen we niet meer. Eigen geld is eigen geld. En dat betekent dat de financieringsmogelijkheden van de ontwikkelaars anders zijn en we op een hele andere manier het businessmodel in elkaar moeten steken en sturen alleen nog maar aan op liquiditeit, op wat in de kas gaat en wat er uit de kas gaat, we sturen op de cashflow, wanneer komt het geld binnen en wanneer gaat het eruit, en dat is wezenlijk anders en dat heeft ermee te maken dat je geen financiering meer krijgt. Er zijn ook ontwikkelaars die hebben heel veel geld en die kunnen dit dus gewoon blijven doen. Die kunnen het risico dragen en
- **Dat zijn de OVG's en de**
- BvS: Ja, bij OVG is dat ook weer anders, want OVG heeft, het voordeel van Koen's is dat hij bepaald vastgoed doet en daarnaast heeft hij zich verbonden met een aantal wat we vroeger venture capitalists zouden noemen en daar krijgt hij z'n geld van. Hij krijgt ook geld van andere investeerders. Het is niet dat er geen geld meer in die sector is, maar het gaat tegen andere condities en het is ook heel duur geld, het is vele malen duurder dan de bank ooit deed. Bij de bank kun je je altijd afvragen of het verstandig is geweest. Als jij een ton wilt hebben om je bedrijfje te beginnen, dan krijg je dat van mij echt niet tegen 4,5%. Dus dat is voor ons wezenlijk anders.
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- Dat we, en dat zijn eigenlijk, dat zijn maatschappelijke veranderingen, aandacht voor duurzaamheid, opkomst van Tesla, de invloed van social media, dat je niet bekend wilt staan als een geldverbrasser of als iemand die niet duurzaam met de samenleving en met deze aardbol omgaat, dat is allemaal waar, maar dat is niet iets waar ontwikkelaars specifiek mee bezig zijn, daar is iedere onderneming mee bezig. Sterker,

ik denk dat er ondernemingen zijn die daar al veel langer en bewuster mee bezig zijn dan onze sector. Als wij naar plannetjes kijken, dan zitten daar nog steeds geen zonnepanelen op. En dan zou je best kunnen zeggen dan gaan weeshuizen allemaal zonnepanelen verkopen, maar dat doen we niet, die zijn nog te duur voor waar je voor investeert, mensen willen er nog niet voor betalen.

- **Denkt u dat die veranderingen die u omschreef, dat dat veranderingen zijn die blijvend zullen zijn of dat dat een nasleep is?**
- BvS: Nee, dat is niet een nasleep. Toen de crisis uitbrak, heb ik als onderneming meegemaakt wat het effect ervan is. Één van de aandeelhouders ging failliet. Daar hadden we helaas nog veel geld van tegoed. De curator zei toen ook: dat doen ze niet meer. En daar wachten we nu nog steeds op. Dat wachten hebben we opgegeven. Maar toen al; heb ik gezegd, dit is blijvend. En waarom is dit blijvend? Kijk zit voornamelijk in de retail. Centrumplan, binnenstedelijk, luisteren naar onze klanten. Dat is natuurlijk wel zo, maar dat is maar heel beperkt he. We luisteren naar wat welstand vindt, dat is heel veel belangrijker dan wat de klant wil, en daarna komt de klant, en dan mag die aan de binnenkant uitleggen hoe die z'n woning wil hebben. In de retail ligt dat anders. Daar luisteren we wel naar onze klant. Dan zijn veel professionele partijen die heel goed kunnen definiëren wat ze willen. Maar ik ga even terug naar wat ik bedoel te zeggen. Want je stelt de vraag denk je dat dit blijvend is of gaat dit weer veranderen? Europa is aan het vergrijzen. Dat si waarschijnlijk jou niet onbekend, want als je afstudeert met dit soort onderwerpen, dan heb je dat voorbij zien komen. Als je kijkt naar wat UNESCO zegt hoe Europa in 2050 zal zijn, dan zitten we hier met minder mensen dan nu. Als je de statistiek erop los laat, dan zou het best zo kunnen zijn dat ik er niet meer ben. Wij maken nieuwe producten naar behoefte van de samenleving. Wij kunnen als ontwikkelaar wel denken dat wij ergens in een weiland heel veel woningen gaan maken, maar als daar geen markt voor is, dan komt het er niet. Een markt wordt bepaald bij mensen die jij, mijn kinderen, ooit als jij kinderen krijgt jouw kinderen, als je nog ouders hebt, je ouders, je familie, noem maar op. Die bepalen of wij producten kunnen maken die men wil hebben. Maar omdat we aan het vergrijzen zijn, is er steeds minder vraag naar de motor van de afgelopen 15 a 20 jaar terug, de behoefte aan winkelruimte, behoefte aan kantoorruimte en behoefte aan woningen, eengezinswoningen. Als jij straks na je studie zegt, ik wil op een leuke plek gaan wonen, ik wil een studio hebben die past bij hoe ik mn leven indeel, dan gaat dat heel lastig worden om dat te vinden. Dan kun je of in een keurig standaard appartement van de particuliere belegger van ongeveer 78m2, of in een woning van de corporatie, of je kunt een duur appartement krijgen. Maar als je zegt ik wil echt iets van 50m2, dat is echt groot genoeg, dan is dat niet te vinden. Dat hebben we allemaal niet gemaakt. Die grote motor van mijn sector, waar mensen heel veel geld aan hebben verdiend, die is weggefallen. We durven geen nieuwe winkels meer te maken. Niet omdat er geen nieuwe winkels meer nodig zijn, maar omdat we totaal niet weten voor wie we ze maken. Welke winkelier ze gaat hebben, de opkomst van internet maakt niet dat er geen winkels meer nodig zijn, maar maakt alleen dat de winkels die we nog kunnen maken, dat we die leuk moeten vinden, want je gaat alleen nog naar een winkel wanneer je vrije tijd hebt. Wat je vroeger deed winkel in, kijken, nog eens een overhemd kijken, nog eens een broek, dat doe jij op je tablet thuis. Als studiematen zeggen of in de vereniging tegen je zeggen de overhemden zijn daar op dit moment goedkoop, Oh, dat is wel handig, want we hebben straks gala, nu even gaan! De impact van social media is groter geworden. We hebben ook zoveel gemaakt dat het nog maar de vraag is of er nog heel veel bij kan. Wat eengezinswoningen betreft hebben we met de vinex heel Nederland vol gezet en jullie kunnen echt over 20 jaar voor een scheid een huis met een tuin krijgen. En kantoren daar hebben we zoveel van gemaakt dat de opkomst van dit soort dingen maakt dat er een generatie aankomt die een kantoor nog wel leuk vinden omdat ze er zijn, maar dat die niet in een kamer van 8m2 z'n hele leven wil slijten. Dus ik denk dat er een aantal andere trends zijn die zich hebben gemanifesteerd op dit moment in de markt, dat gevoegd met de financiële schade en de angst van banken voor deze sector, de markt wordt minder groot, wij moeten meer doen dan wat we ervoor krijgen, onze afnemers hebben minder geld in de portemonnee. Het is niet zo dat in de afgelopen 8 jaar de salarissen met 20% zijn gestegen, ga het thuis vragen en ik denk dat ze zeggen er is wel progressie geweest, maar zo enthousiast ging het niet. Dus onze afnemers, onze klant is kritischer geworden, onze klant is wispelturig, weet niet zo goed meer wat hij wil en hij heeft minder in de portemonnee.

- **En als ik dat terugkoppel naar een bedrijfsmodel, wat zijn dan de veranderingen die dat teweeg heeft gebracht, want je kunt stellen dat er minder productie uitkomt. Maar zijn er concreet dingen veranderd in hoe bedrijfsmodellen werken?**
- BvS: Toen ik net met Kikx begon in 2005, hadden we op dat moment niet zoveel geld. Dus we moesten vanaf dag één zo dicht mogelijk naar onze afnemers en naar onze klanten trekken, en dat betekent dat we minder verdienden dan andere ontwikkelaars, zaten wel veel rustiger, hebben we veel klussen binnen gekregen doordat de retailorganisatie zei: kunnen jullie dat niet voor ons ontwikkelen? We kregen te maken met een gigantische omloop van geld, die vinden dat prima om dat tegen een mooie rente uit te zetten, die het project ontwikkeld en die dat vervolgens van hem af nemen, dus dat is het voor ons geweest en ik denk dat dat voor heel veel andere partijen ook gaat gebeuren. Ik denk dat ons model veranderen meer adviseurs gevraagd gaan worden dan zoals heel veel bouwende ontwikkelaars zich van ons segment afkeren, die willen niet al die grootschalige risico dragen en concentreren zich op seriematige woningbouw, en dat is wat ze goed kunnen, daar kunnen ze geld mee verdienen. Dus voor ons is ons model in die zin wel veranderd dat we nóg meer naar voren kijken, heel scherp zijn in waar we ons nog voor inzetten, dus vaker nee zeggen tegen projecten. De risico's die erin zitten kun je wegnemen door vanaf een vroeg stadium waar wij mee werken en in een vroeg stadium met de gemeente overeenstemming te krijgen over de uitgangspunten van het plan. Dat is denk ik wel een wezenlijke verandering. Er wordt veel kritischer met geld omgegaan. Het verkwistende dat de ontwikkelaars in de afgelopen 20 jaar heeft gekenmerkt, is voorbij. Je kunt best nog op projecten goed verdienen. We hebben ook projecten in de portefeuille waar heel tevreden mee blijven. Alleen dat heel duidelijk aan de markt laten zien hebben wij nooit gedaan en ik zie dat ook bij andere ontwikkelaars bijna niet meer. En dan kun je je afvragen wat daar de toegevoegde waarde van is. Wat heeft een ander aan wat wij kunnen? Dat is een hele wezenlijke vraag, die wij ieder jaar onszelf stellen. Wij trekken richting adviseren. Wij denken namelijk dat wij ook wel wat stedenbouwkundig inzicht of kennis hebben. Wij worden adviseerder over hoe je met projecten om moet gaan. Dat betekent dat wat je in de retail hebt branchevervaging, dat wij dat in de komende tijd ook gaan zien. Ontwikkelaars adviseren natuurlijk daar de architecten. Het wordt nog altijd onderschat wat wij doen. Niet zozeer omdat het heel moeilijk is euro's uitgeven, vooral heel goed nadenken waarom je dat geld uitgeeft, ik denk dat we uniek zijn, omdat we in staat zijn heel veel partijen met verschillende belangen bij elkaar te brengen. En daar moet je ontzettend veel geduld voor hebben, je moet over de nodige sociale en emotionele capaciteiten beschikken en dat heeft niet iedereen. Ik denk dat de partijen die dat hebben en dat kunnen uitdrukken, die blijven projecten doen.
- **In zekere zin zegt u dat de klassieke rol van een ontwikkelaar die met een zak geld iets neerzet en daarna gaat verkopen, dat dat steeds complexer gaat worden?**
- BvS: Ja, dat gaat complexer worden en je gaat het steeds minder zien. Want je moet het dus echt met je eigen geld financieren. Helemaal. Daarnaast is, vergeet niet dat onze markt ook onder invloed van de crisis veranderd is. Als ik je vertel dat de grote Nederlandse, institutionele beleggers Nederland hebben verdeeld in 17 steden en de rest, en in die 17 steden investeren ze wel en in de rest niet. Ik erken dat er steden zijn die sterker zullen worden, zoals Amsterdam. Het zijn steden waar de druk van woningnood heel hoog is, de voorzieningen op peil wordt gebracht en waar investeerders bereid zijn om geld ook te investeren. En als je de pech hebt dat je ontwikkelaar bent in Oost Groningen, het voordeel is dat de grond daar veel goedkoper is, het grote nadeel is, woningen zijn er ook heel goedkoop, en er minder markt voor is. Er zijn minder mensen die jouw product willen afnemen. En je hebt uiteindelijk wel afnemers nodig.
- **Een ander punt: de literatuur schrijft dat de rol van publieke partijen aan het veranderen is, die zich terug gaan trekken uiteindelijk en meer ruimte wordt gelaten aan private partijen om met voorstellen te komen en te organiseren, is dat iets wat te merken is en versneld is door de crisis nu?**
- BvS: Ja. Ik denk dat dat eigenlijk wel goed is. Mensen hebben minder te besteden, we hebben grote organisaties gehad, die zijn allemaal aan het afslanken, en zijn inderdaad meer faciliterend dan in het verleden. We zijn in een plaats midden in het land bezig, een drama voor die gemeente, en wij denken dat wij een goede visie hebben neergelegd, dat vindt het hele ambtelijk apparaat ook, dat vinden alle deskundigen ook, maar ja, nu moet er een stuk overheidsgeld bij, en dat hoeft niet in onze zak terecht te komen, wij rekenen vrij snel voor iedereen uit wat wij vinden wat wij eraan moeten verdienen en wat het

echt gaat kosten, want ik ga geen 1,5 miljoen meebrengen om een project te doen. Mocht je dat denken, dat is een misvatting. Ik wil best 1,5 miljoen verdienen aan een project, maar 1,5 miljoen inbrengen vind ik onhandig. Tien jaar terug zouden we hebben gezegd we gaan daar een budget voor vragen. Maar nu wordt er gezegd: daar hebben we eigenlijk geen geld voor. Ik durf niet te zeggen dat we over 20 jaar een overheid hebben die zegt daar hebben we wel geld voor. Dit kabinet zegt, wat we over houden, houden we over dit jaar, dat stoppen we in lastenverlichting, dat stoppen we niet in gemeentefonds. In grote lijn is het dus zo dat niet alleen wij, maar de hele samenleving last heeft gehad van die crisis. En dat de overheid daar ook heel veel geld is kwijtgeraakt. Dus die trekken zich terug. Zij vinden niet dat hun kerntaak is grond verwerven ten behoeve van mooie toekomstige plannetjes. Dat doe je, als overheid, op het moment dat je denkt dat je er geld aan overhoudt. Dus ik denk dat dat een systeemwijziging is, waar wij geen antwoord op hebben. Omdat men die systeemwijziging doorvoert, omdat wij geen geld hebben. En dan kijken we naar de markt in de veronderstelling dat wij wel geld hebben. En dat is dus maar voor 17 gemeentes dat je zou kunnen bedenken dat dat werkt, want dat zijn gemeentes waar institutionele beleggers, pensioenfondsen bereid zijn te investeren, dus dat zijn ook de plekken waar wij nog met beleggers van gedachte kunnen wisselen en kunnen kijken of zij bereid zijn financiering te verschaffen.

- **In zekere zin zou je dus kunnen zeggen dat als de nadruk op de steden ligt of op de enige plekken waar nog mogelijkheden zijn, dat dat het hele proces ook gaat versnellen? Want als alleen nog maar nieuwe en mooiere voorzieningen worden gebouwd in de steden, maar als daarbuiten niks meer gebeurt, dan het dan alleen maar harder gaat met het leegstaan.**
- BvS: Ja, ik denk dat jij daar gelijk in hebt. Als iemand bereid is mee te doen op het moment dat daar voor 70% wordt verkocht, dan kunnen we vrienden zijn. Wij zijn nog wel bereid om de markten te bekostigen, markt(be)nadering voor onze rekening te nemen, maar niet om het probleem over te nemen. De aardigheid is dat de meeste mensen dat tegenwoordig snappen. Er zijn nog wel partijen die in staat zijn om via een risicovolle benadering en met veel eigen geld om partijen van de grond te trekken, maar dat worden er steeds minder. Dat is een kunstje dat we, kijk, voor de crisis konden we dat allemaal, maar nu kunnen er maar een paar dat. De rest zal moeten proberen echt op inhoud en op toegevoegde waarde voor de klant ontwikkelingen van de grond te trekken.
- **Een ander onderwerp is woningbouw. Er is natuurlijk nog steeds een groeiende vraag naar woningen, vooral woningen voor singles of tweepersoons huishoudens bijvoorbeeld, en die vraag is gewoon door gestegen, die was er voor de crisis al en die is gewoon door gestegen en de productie van woningen in principe wel is afgenomen, is dat iets waar ontwikkelaars op een of andere manier op in spelen? En wat ligt daar eigenlijk aan ten grondslag dat er is gestopt met bouwen, blijkbaar is er nog vraag, maar komen projecten niet van de grond, is de prijs van zo'n woning ten opzichte van de financiering niet realistisch meer?**
- BvS: Nee, het is nog anders. De reden dat we net na de crisis niet meer produceerden, dat was omdat kopers gewoon niks meer kochten. Het systeem van voor de crisis was dat je een huis kocht en je kon er probleemloos vanuit gaan dat de waarde daarvan zou stijgen. Dus we betaalden voor een nieuw huis hoge bedragen, want het huis ging toch in waarde stijgen. En toen kwam de crisis. Dat systeem werd heel bruut tot stilstand gebracht, die huizen werden niet meer gekocht. Sommige mensen zijn net op het verkeerde moment ingestapt en hebben een scheur in hun broek, dat is gênant. Dus vanaf dat moment heeft de koper, de consument, afgezien van het doen van hele grote uitgaven, het is crisis en in de crisis is men bang voor de baan, dat wat men heeft er straks nog wel is. Beide werden fundamenteel ter discussie gesteld. Werkloosheid liep op en voor diegene die niet werkloos raakten, liepen het risico dat hun onroerend goed, hun bezit, als ze dat hadden, in waarde verminderde. Daarnaast liepen de huurverhogingen gewoon door, dus iedereen had er last van. In zo'n klimaat durven ontwikkelaars niet enthousiast woningen neer te zetten. Sterker, je wist niet eens tegen welke prijs je het zou doen. In die hele periode is tot 2010/2011 heel weinig gebeurd en daarna zijn we weer begonnen met ontwikkelingsdenken. En in 2013/2014 komt iedereen weer een beetje op stoom. Maar het is een sector die altijd na-ijlt, dus als het morgen instort, de markt, dan hebben wij een plan voor 63 grondgebonden woningen in schiebroek. Nu 450 kandidaten voor 60 woningen, daar maken wij ons niet heel veel zorgen over, maar als de bank morgen zegt we hebben er nog eens over nagedacht en het gaat nog niet hard

genoeg dat bezuinigen, dan blijven er van de 450 misschien nog maar 250 over. De van buiten komende factoren die zijn zodanig veranderd dat we nu pas weer met woningen bezig zijn. Woningen zijn namelijk een stuk makkelijker te doen. Bij woningen mag je, bij de meeste contracten zitten zo in elkaar dat je pas bij 70% verkochte woningen pas de grond hoeft af te wenden van de verkopende partij, dat kan ook een gemeente zijn, dus dat schuift allemaal op. Daarbij is eigenlijk de gemeente de risicodragende partij geworden zonder dat ze eigenlijk grip hebben op wat de ontwikkelaar eigenlijk aan het uitspoken is. Ik denk dat het niet terugkomt, ik denk dat het feit dat er relatief weinig woningen te vinden zijn in Nederland, komt door onze traditionele manier van ontwikkelen, eigenlijk hebben wij de afgelopen jaren alleen maar voor tweeverdieners met kinderen ontwikkeld. Er zijn ook veel los vast stellen, omdat de een in Den Haag en de ander in Amsterdam werkt, en waarom maken we daar geen woningen voor? Omdat we bij alle woningen ook een parkeerplaats moeten maken. En als je bij een woning van 60m2 een 50m2 grote parkeerplaats moet maken, dan wordt het al zo duur per m2, dat al gauw wordt gezegd: dan koop ik ergens anders wel iets wat iets groter is. Dat is een belangrijke reden. Daarnaast is een reden dat zowel corporaties, als institutionele beleggers, om een groot gedeelte van de markt te kunnen bestrijken, hebben gekozen voor 76 m2, 48 m2, dat is een prima ding, daar kan iedereen in, dat is natuurlijk onzin.

- **Dat is natuurlijk altijd het risico, bij aannemers zijn de marges vaak niet heel hoog en wil je iets nieuws doen, dan moet je wel met een heel goed verhaal komen, wil je dat van de grond krijgen. Er is weinig ruimte om maar wat te proberen.**
- BvS: Ja, daar heb je gelijk in, en ik heb het er ook wel eens met aannemers over, maar ik vind ze moeten elkaar maar controleren en dergelijke, in de trant van 'het is jouw taak, om het haar uit te leggen, dus ik moet het nu jou uitleggen', maar dat is onbegrijpelijk. Maar voor hen ook vaak. Omdat ze niet meer met hun eigen geld bezig zijn.
- **Dan nog een ander onderwerp. Duurzaamheid. U gaf net al aan dat de zonnepanelen die worden niet op het dak gelegd omdat mensen niet willen betalen wat het kost nu. Dat vanuit ontwikkelaars zelf duurzaamheid een beetje als promotie werd gebruikt en dat dat eigenlijk alleen wordt toegepast als er echt om wordt gevraagd, dat het meer window dressing is dan...**
- BvS: Nou, ik denk dat ook een aantal partijen zonder meer dat heel integer roepen... (dan voorbeeld mbt winkels, juwelier, licht en blinkende sieraden) De overheid probeert hier heel veel in te doen, maar het zit natuurlijk maar heel beperkt tussen de oren van onszelf. Ik ben zelf ook heel duurzaam. En ik denk niet dat ik een uitzondering ben.
- **Denkt u dat het iets is van de nieuwe generatie? Van mensen die nu van hun middelbare school afkomen, en dat meekrijgen, dat die daar wel mee bezig zijn? Of merk je dat dat in jongere doelgroepen niet heel erg speelt?**
- BvS: Ik merk aan afstudeerders niet 'in het kader van duurzaamheid moet ik dit of dat doen'. Dat is het volgende. Ik denk dat we ons best doen om woningen te maken die energiezuinig zijn, er wordt wel mee geëxperimenteerd. Het probleem bij het zorgen voor bouwkundige voorzieningen die de duurzaamheid ten dienst zijn is, dat de investering nu moet plaatsvinden, en de opbrengsten op termijn gaan ontstaan. En ik denk dat een koper het geweldig gaat vinden als wij zeggen er zitten allemaal zonnepanelen op je dak. Maar mag ik dan alsjeblieft 18.000 euro meer hebben voor deze woning? En dan zegt ie: maar ik dacht dat dat erin zat! En daarom gebeurt dat gewoon niet.
- **En denk je ze denken dat voor die 18000 euro dat het extra kost, kun je ook een iets grotere woning op een iets mooiere plek krijgen?**
- BvS: Dat soort mensen heb je inderdaad ook. Die zeggen dan had ik liever een uitbouw, wil ik een mooie badkamer. Dus ik denk dat dat een heel lastig onderwerp is, waar we met zn allen wel aan moeten geloven. Maar waar we maar heel mondjesmaat voor willen betalen. En je kunt je altijd afvragen, maar dat is een morele vraag die mensen zich zelf moeten afvragen, of ze omdat anderen het niet doen wij het ook niet doen of moeten doen, of dat doen als soort van nalatenschap voor de hele planeet. Ik heb nog niet ontdekt dat mensen daar substantieel bereid zijn daarvoor te betalen.
- **Het is nu wel zo dat je voor energie efficiëntie een bredere hypotheek kunt krijgen, maar ben je daar al iemand van tegen gekomen?**

- BvS: Nee, tot nu nog niet. Maar misschien dat we dat met dit project wel krijgen. Misschien is het traditionele verdienmodel dat wij als ontwikkelaars hanteren, we maken iets en we verkopen het, is dat niet meer een goed verdienmodel. Misschien zou het verdienmodel veel aantrekkelijker zijn als wij iets maken en exploitatie services blijven leveren, bijvoorbeeld we onderhouden deze woning goed de komende 10 jaar.
- **Er zijn ook geen beleggers die zich meer in de ontwikkelrichting aan het begeven zijn?**
- BvS: Jawel, jawel, bijvoorbeeld Syntus Achmea, die ontwikkelt zelf vastgoed. Je merkt dat BouwInvest dat doet, de grotere beleggers, Croonenberg als winkelbelegger is een hele grote, er zijn echt wel beleggers die dat wel ook doen hoor. Ik merk dat zij sneller bereid zijn om een project in te stappen. Is het meer? Ja, ik denk het wel, omdat ze sneller gevraagd worden. Want zij hebben geld. Dus heel veel mensen komen bij hen buurten. Je kunt het niet in een soort package samen met een bank doen, ze willen allebei dezelfde zekerheid hebben, als je dat moet delen, dat is niet heel erg aangenaam. Het is minder geld dan als je met een bank in zee gaat, maar het komt meer en meer voor. Of het uiteindelijk iets oplost, dat weet ik niet. Het zou betekenen dat je alleen nog maar huurproducten in de markt gaat zetten. Die belegger is er natuurlijk niet voor om risicodragend te ontwikkelen. Die belegt voor z'n eigen portefeuille. Op zich zou dat best kunnen. Jouw generatie heeft al een heel ander beeld bij eigendom dan mijn generatie of mijn ouders. Dat is minder belangrijk geworden. Gebruik is belangrijk. Daar hoef je geen eigenaar van te zijn. Huren vind ik eigenlijk wel een prima model. Want de verwachte waardevermindering, die is toch wel de afgelopen jaren verdwenen.

## APPENDIX H INTERVIEW BLAUWHOED

This appendix is a transcript of the interview held with Marcel Groeneweg, director developments at Blauwhoed , held on 19/08/2015.

- **Eerst een hele open vraag, wat denkt u zelf dat er echt is veranderd sinds 2008 op het gebied van projectontwikkeling?**
- Ik denk dat voor zover de ontwikkelaars nog niet wisten dat het om de klant ging, dat dat bewustzijn wel wat groter is geworden. Ik moet helaas zeggen dat ik om me heen door de aantrekkende markt dat we snel weer in de oude groef schieten van 7 jaar geleden, dus de snelheid, de klant weer degene is die mag afnemen, maar niet meer degene is voor wie je het allemaal doet en die jouw boterham bepaalt, zal ik maar zeggen, maar als ik kijk naar Blauwhoed dan zijn wij vrij vroeg al ons hele bedrijf om gaan zetten naar

een bedrijf dat zich heel erg richt om samen met de klant te komen tot het eindproduct en daardoor ook de kans van slagen voor de afzet te vergroten. Dat heeft in de crisis goed gewerkt en proberen we in alle projecten wel invulling aan te geven. Dus ja, als ik in de sector nu kijk, dan zie ik bij de één dat daar een behoorlijke cultuuromslag heeft plaatsgevonden, andere manier van werken, maar ik zie daar ook wel weer een andere beweging komen, dat mensen überhaupt blij mogen zijn als ze een huis aangeboden wordt.

- **En geldt dat voor alle markten hetzelfde? Is dat puur alleen in de woningmarkt zo of kantoren, er is natuurlijk een overschot aan kantoren**
- Ja, daar doen wij ook niet zo heel veel meer in. De laatste jaren alleen maar met een eindgebruik, daar zie je veel meer transformatieprojecten. Oude kantoorgebouwen om gaan zetten. Met betrekking tot andere sectoren heb ik daar weinig zicht op of daar echt een andere manier van ontwikkelen is ontstaan.
- **En concreet bij Blauwhoed, wat betekent de eindgebruiker meer betrekken bij het proces concreet?**
- Blue living is een losstaand concept. Wat bij ons in het DNA zit is co-creatie co-design, waar co-creatie alweer zoveel gebruikt wordt dat dat ook weer zn waarde verliest, maar goed co-creatie is wel datgene dat ons drijft, dat we met de klant komen tot dat eindplaatje en in ieder geval de droomwoning die men voor ogen heeft. Grotere tevredenheid en ook voor de langere termijn weer veel meer met elkaar voor elkaar krijgt. Dat is enerzijds het verhaal. Co-creatie kent geen gradaties, naar het type van de doelgroep aan de slag gaan, maar het kan ook zijn dat je zegt we hebben al een plan en wat is goed maar hoe kan het beter. En waarom zou u het wel kopen en waarom zou u het niet willen kopen? Met dat soort sessies proberen we te komen tot een resultaat, waardoor onze kans van slagen veel groter wordt.
- **En dat is een manier van werken die door de crisis versterkt is, denk ik, want toen moest iedereen het eigenlijk wel doen, en is dat nu iets wat specifiek bij jullie door de crisis extra hard door jullie is opgenomen in de manier van werken hier, of is dat iets wat anders sowieso ook wel was gebeurd?**
- Nee, ik denk dat dat inderdaad met de crisis te maken heeft. Bij ons is het in verschillende gradaties, maar het is wel ons DNA geworden. Dat co-design.
- **De crisis heeft tot gevolg gehad dat er kapitaalschaarste is ontstaan, wat ook de vastgoedsector hard heeft geraakt, en dat dat heel moeilijk is geworden, maar heeft u nou het idee dat dat iets is wat de laatste jaren heel moeilijk is geweest, maar wat nu weer gaat opbouwen, of concreet gezien niet heel veel heeft veranderd behalve tijdelijk gat in de mogelijkheden van ontwikkelaars?**
- Ja, ik zie wel schoorvoetend dat er weer meer mogelijkheden ontstaan, met name pensioenfondsen en kapitaalkrachtige particulieren, die vastgoed zien als goede investeringsmogelijkheid, met grote sommen financieren van locaties en dergelijke daar wordt op dit moment heel weinig in gedaan. Dat is nog steeds wel op bijna stilstand niveau. Het krijgen van vreemd vermogen dat kost wel wat moeite op dit moment. Meer moeite dan voor de crisis. Nu moet je eigenlijk gewoon je eigen broek ophouden, daar komt het simpelweg op neer. Wij moesten dat altijd al, dus dat scheelt al een heel stuk, wij hebben geen grote bank als aandeelhouder of een groot bouwbedrijf wat productie draait en daardoor ook geld aan de voorkant erin wil stoppen, dus wij moeten altijd slim opereren maar ook snelle doorlooptijden. Als wij nu ergens in stappen, dan moet dat binnen twee jaar op een start-verkoop minimaal komen.
- **Zijn jullie daarbij ook andere financiële constructies gaan gebruiken? Of is het puur alleen een verschuiving geweest hoeveel eigen vermogen erin wordt gestopt?**
- Wij proberen eigenlijk zo goed mogelijk afspraken te maken, waardoor de kapitaal behoefte en inbreng eigenlijk minimaal is. Wat wij doen, wij investeren aan de voorkant om een plan voor elkaar te krijgen, dus de aanloopkosten eigenlijk, maar de grote som geld voor de aankoop van de locatie, de grond ofzo, die komt bij ons pas tot stand als wij 70% hebben verkocht, en als wij onherroepelijke bouwvergunningen

hebben, dus als we een bouwtitel hebben om te kunnen starten. En daarmee naar de notaris kunnen. En dus niet met ons geld grond wordt gekocht, maar met geld van de koper.

- **En was dat voor de crisis ook al zo?**
- Nee, voor de crisis hebben wij ook nog wel eens in het verleden gronden gekocht, die wij 10 jaar, 15 jaar lieten liggen, zo van dat komt nog wel een keer, lange termijn investering. Heel veel bouwbedrijven die de afgelopen jaren failliet zijn gegaan, die zijn failliet gegaan aan gronden in plaats van aan een bouwbedrijf, en wij zijn die portefeuille al heel snel gaan afbouwen eigenlijk. In 2006, 2007 al. En in principe doen we dat ook niet meer.
- **En denkt u dat dit iets is, omdat het nog niet zo lang geleden gevoeld is door iedereen, dat iedereen inderdaad nu heel voorzichtig is, maar over 10 jaar eigenlijk weer gaat zoals het ging?**
- Ik ben bang dat er om ons heen genoeg mensen zijn die kansen zien, de banken geloven er ook weer in, want de woningmarkt is naar mijn mening onder kostprijsniveau geweest, ja, dan zou ik ook als ik een paar miljoen heb mijn geld aan iemand durven geven, omdat ik weet dat die woning weer boven kostprijsniveau of in ieder geval op kostprijsniveau gaat komen, dus de luchtbel zat nu aan de andere kant zullen we maar zeggen. Het risico daarvan is dat mensen die koop 7 jaren hebben uitgesteld, omdat het risico te groot was, of omdat de banken dat vertelden, neigt er weer naar om heel vele aanbod te creëren en dan komen we weer in de jaren 90, 2000 terecht. Ik hoop niet dat we over pak en beet 5 jaar we elkaar allemaal weer gaan zitten aanstaren. Er moet een goed aanbod komen versus de vraag. Het was eerst ongezond, er was geen vraag meer, maar er was wel aanbod, en nu denken we weer heel veel kopers te hebben die er weer bovenop springen. Dat is een beetje mijn angst.
- **Op de lange termijn zijn een aantal schrijvers die omschrijven dat de overheid een terugnemende rol aan het krijgen is binnen vastgoedontwikkeling, binnen gebiedsontwikkeling etcetera, en nou is mijn vraag of sinds het uitbreken van de crisis de gemeentes natuurlijk ook met een tekort aan financiën zaten, of jullie ook merken dat er een terugnemende rol is voor publieke partijen die het meer overlaten aan private partijen?**
- Als ze slim zijn hebben ze dat wel gedaan. Uiteindelijk ben ik van mening dat gemeenten en overheid faciliterend moeten zijn en het ondernemen vooral moeten overlaten aan de ondernemer. Alleen ik zie daar ook weer binnen gemeentes verschillende bewegingen in. De afgelopen jaren hebben we met heel wat gemeentes aan tafel gezeten waar projecten vastliepen en men ook ging kijken, met ons samen, van hoe krijgen we het weer los, hoe gaan we daarmee om. Maar de crisis is voor de meeste mensen inmiddels een jaar achter de rug en dat betekent dat gemeenten weer erop uit zijn om het hoogste grondbod te krijgen in plaats van het beste plan of het plan wat überhaupt gaat verkopen zodat ze ook zekerheid hebben dat ze hun geld hebben. Maar het en masse gronden kopen, dat zie ik niet gebeuren en ik denk ook niet dat dat heel snel weer zal gaan gebeuren. De gemeente als ondernemer, ik denk dat dat voorlopig wel van de baan is.
- **Er zijn ontwikkelaars die duurzaamheid op hun verkoopplaatjes plakken en ontwikkelaars die er meer moeite in stoppen. Is het zo dat duurzaamheid een groeiende en belangrijkere rol in ontwikkelen heeft gekregen of is het meer dat het een van de trends is die nu aantrekkelijk is geworden en dus een plekje in de voorwaarden heeft gekregen?**
- Ik denk dat als iets een trend is, dat het gemeen goed is geworden. Men ziet het als iets waar je bij moet zijn. Je ziet dat mensen zich er ook bewust van zijn. Ik ben alleen wel van mening dat de Nederlander over het algemeen eerst naar zijn portemonnee kijkt en dan naar de duurzaamheid, en wij moeten denk ik als sector zorgen dat het betaalbaar wordt of dat het iets oplevert, dat zou nog mooier zijn. En daar heb je best wel veel voor nodig. Want dat betekent dat je aan de voorkant een iets grotere investering moet

doen. Maar anderzijds dat een financier moet zien dat er dan dus wat minder vaste lasten zijn voor energie en dergelijke en dat stukje geld wat je dan dus niet nodig hebt, beschikbaar zou moeten zijn om de financiering ietsje hoger te kunnen doen, waardoor je dan weer hetzelfde uit zou komen. Dus daar zit een stuk. Ik denk ook dat de overheid daar een grote rol in speelt. Want als het gaat om het geweten van iemand die geld wil verdienen aan een product dan denk ik dat je snel komt tot datgene wat moet, en niet zozeer aan wat er allemaal nog meer aan toegevoegd kan worden. Als ik kijk naar Blauwhoed, dan hebben wij duurzaamheid hoog in het vaandel staan, met name ook omdat de klant daar ook baat bij heeft op de lange termijn. En dan kijk je niet zozeer naar vandaag, maar wel naar over 5 jaar, over 10 jaar of over 20 jaar. Dus dat zit enerzijds in gebruiksgemak, maar dat zit ook in duurzaamheid. Denk daarbij ook aan duurzame energie. En nou wil ik weg nog even zeggen dat het niet de klant is die daar vaak om vraagt. De klant wil dan graag liever een goedkopere woning dan een duurzame woning. Hij rekent niet zozeer in zijn huishoudensboekje per maand, maar hij rekent nog heel erg in wat is er goedkoop. Dus dat bewustzijn, dat is een stukje verantwoordelijkheid dat bij de overheid enerzijds ligt, maar wij vinden dat die ook bij ons ligt. De klanten daarin mee te nemen en vooral ook de voordelen mede te delen.

- **En als jullie dat zouden moeten inschatten, zijn jullie daarin vooruitstrevend? Of is dat iets wat bij meerdere partijen nu speelt?**
- Het speelt sowieso bij meerdere partijen. Soms is het een label dat je naar buiten toe uitdraagt en waar je promotietechnisch ook wat waarde uithaalt. Wij hebben daar tot een jaar, twee jaar geleden altijd gezegd beter dan de wet hoeven we op dat gebied niet te zijn, daar lag niet onze ambitie. Die lag op andere vlakken. En wij zeggen nu, nee daarin moeten wij ook vooruit lopen, en misschien dat wij anno 2016, 2017 alle woningen compleet duurzaam moeten maken.
- **En hoe bewerkstelligen jullie die duurzame ambitie? Is dat doordat nieuwe partijen in het netwerk zijn betrokken? Of zijn dat de bestaande architecten?**
- Je probeert eerst altijd met je bouwers te overleggen welke ervaring ze al hebben opgedaan, je kunt natuurlijk nieuwe dingen uitproberen en proberen te vinden, maar er zijn natuurlijk al veel dingen uitgevonden en bruikbaar, dus daar proberen we ook altijd wel met bewezen concepten onze projecten mee aan te kleden. Omdat we dan ook denken dat de klant daar het meeste aan heeft. Dat is een beetje zorg voor de klant uiteindelijk.
- **Zijn jullie actief in retail? Niet echt geloof ik, toch?**
- Nee, we doen wel eens een winkelplint onder een appartementengebouw of iets dergelijks, in het verleden hebben we wel grote winkelcentra gedaan, maar op dit moment is daar de vraag natuurlijk ook niet naar.
- **Is ook de reden omdat er minder vraag is naar winkels, dat jullie, misschien ook door de crisis, dat dan ook uit jullie portfolio halen?**
- Dat heb ik niet zozeer uit de portefeuille gehaald, dus we gaan het ook niet uit de weg zal ik maar zeggen, maar het is niet iets waar we nu heel actief mee bezig zijn. We zoeken altijd wel naar mogelijkheden, maar ik moet eerlijk zeggen dat met name op kantoren toch wel de transformatie van kantoren naar woningbouw meer onze aandacht heeft dan dat we nu op zoek zijn naar nieuwe winkellocaties. En dat was eigenlijk voor de crisis al gaande. Ik denk dat de crisis in de kantorenmarkt al iets eerder het geval was. Waar we wel veel meer mee bezig zijn, dat zijn hotelontwikkelingen. Dat is natuurlijk ook stukje andere markt dan wonen.
- **Merken jullie binnen jullie ontwikkelingen dat er meer vraag is naar binnenstedelijke of Randstedelijke ontwikkelingen en dat buiten de Randstad het aanzienlijk minder aan het worden is? Of zijn jullie ook nog steeds actief buiten de Randstad?**

- Binnenstedelijk gebeurt er uiteraard veel, herbestemming van gebouwen, je merkt ook dat de trek naar de binnenstad toe is onverminderd groot, de vinexwijken is eigenlijk een beetje voorbij, men wil toch wel graag de faciliteiten en een stukje identiteit, de kerktoren kunnen zien, zal ik maar zeggen, ik denk dat daar op dit moment wel veel behoefte aan is, die trek zie je zeker. Een paar jaar geleden hadden we hier ook een flinke focus op de Randstad. We hadden ook gezegd, de grote steden wordt onze main focus. De eerlijkheid gebiedt te zeggen dat wij op dit moment de meeste successen hebben in de kleinere plaatsen dan wel op de plekken waarvan we zeiden dat we daar niks meer zouden doen. Verrassend genoeg is het eromheen waar het gebeurt, dan in de grote steden op dit moment.
- **En dat wordt benaderd door de belegger of door eindpartijen die daar zelf mee komen dat ze daar iets mee willen? Want als de nadruk verschuift naar de stad en intussen komt er toch ineens een project buiten de stad?**
- Ik moet eerlijk zeggen, de beleggers die moeten de gang naar de kleinere gemeentes nog vinden. Maar als investering heb je daar betere investeringen aan, verondersteld dat de markt dan toch nog wat zou zijn gezakt, 2 of 3% op 3 ton doet meer pijn dan 2 of 3% op 2 ton. Dus dat verbaast mij, maar blijkbaar is dat meerdere partijen opgevallen dat de behoefte aan investeren in randgemeentes dat dat een beetje achterblijft. Terwijl daar wel heel veel kansen liggen. Dus die merk ik nog niet zoveel. Maar in de grote steden, ja, ik denk dat met name studentenhuisvestingen, kleinere appartementen, dat beleggers daar wel positie/profit/positie willen hebben. Ook eengezinswoningen, dat dat echt booming is. Mensen willen nu ook eerst hun woning verkocht hebben, voordat ze naar iets anders overstappen. Je merkt dat de vrije huursector behoorlijk aantrekt en daardoor veel mogelijkheden voor beleggers en daardoor dus ook voor ons, zowel in binnen als in buitenland. Je ziet bijvoorbeeld toch wat Amerikaanse partijen komen, België, Duitsland, die zich in de Nederlandse markt gaan roeren. En dat kan op ons initiatief zijn dat we er een paar gaan benaderen, zo van wij hebben plek, dit is het idee, zeg het maar, dan gaan we toch weer een stuk co-creatie doen, dan wel dat zij zelf met de vraag komen van wij zijn op zoek naar dat en dat, we zoeken naar zo'n soort gemeente, heb je daarvan toevallig nog wat in de portefeuille?
- **Is het dan ook zo dat wat jullie ontwikkelen jullie nu merken dat er nieuwe producten zijn ontstaan ook in wat jullie leveren? Bijvoorbeeld kleinere of andere woningen of iets dergelijks? En wat is er dan concreet veranderd?**
- Wat ik heel opvallend vind in de appartementenmarkt, is dat we jarenlang, dus ook de beleggers, maar ook wij voor de vrije verkoop, appartementen 2, 3 kamers van 85m2 maakten en 110 m2 en dan had je wel een beetje de bandbreedte gehad, wat overigens sinds de jaren 60 altijd met 5 of 10m2 per 10 jaar meer werd, iedereen wilde altijd groter wonen, en wat ik heel opvallend vind in de crisis, is dat uiteindelijk de vraag naar 70 m2 en in Amsterdam bijvoorbeeld 60 m2 appartementen gigantisch is toegenomen, daar wordt ook veel meer in belegd tegenwoordig, of juist heel groot, want mensen zijn gewend geweest om 120, 130 m2 eengezinswoning te hebben, die willen dan eigenlijk ook een appartement die daaraan voldoet, omdat ze anders de helft van de meubels weg moeten doen. Dus eigenlijk zie ik in die hele categorie van 90-110 dat begint een beetje weg te ebben, qua product, en je juist de 2 kamerwoning van 70 m2 veel terug ziet komen nu. Of juist heel groot vanaf 120 m2, maar ook penthouses en dan heb je het over 170-200 m2. Dat vind ik wel een beweging die ik zie. Wat wij zelf hebben ontwikkeld is haaks wonen. Dat is een woning die in de basis een plattegrond heeft, die in een haak is en die ernaast heeft m andersom, dus de één heeft een hele brede achtertuin en een hele brede woonkamer en eetkamer, de andere woning heeft m aan de voorkant zitten, dus die kan daar of een studeerkamer maken of een separaat werkkamer maken, waar je weer een praktijk kunt houden of iets dergelijks. Die woningen hebben we op de markt gebracht voor mensen met een iets grotere beurs en niet voor een tweekap in aanmerking komen, maar wel die ruimtebehoefte hebben, en die verkopen we in vrijveel projecten heel

goed, moet ik zeggen. Dat is net iets duurder dan een eengezinswoning, maar dan wel met het volume van een tweekapper. Dat is bijvoorbeeld een product waarvan wij in de crisis hebben gezegd dat zou toch een bepaalde markt moeten bedienen en dat blijkt dus ook inderdaad aardig in trek.

- **Dus de vraag van de klanten zijn veranderd, maar de klanten zelf zijn niet veranderd? Of is er ook weer een andere doelgroep opgekomen?**
- Nou, ik weet niet of we nou echt hele andere doelgroepen hebben. Ik denk dat de klantvraag wel wat veranderd is. Ik denk wel dat voor de toekomst, wat ik zie, is dat jongere mensen minder waarde gaan hechten aan bezit, en meer in gebruik gaan denken, maar dat ik daar in ons huidige klantenbestand nog weinig van merk. Mensen zijn misschien wel iets bewuster geworden.
- **Is het zo dat andere partijen zich bezig gaan houden met ontwikkelen van vastgoed? Zoals bijvoorbeeld helemaal andere bedrijven, zoals energiebedrijven? Zijn er andere partijen die het gebied van vastgoedontwikkeling gaan betreden?**
- Dat zie ik niet. Juist niet eigenlijk. Ik zie heel veel beleggers, corporaties, die afscheid nemen van het ontwikkelpad. Omdat daar ook voor hen weer het meeste risico in zat. Wat ik veel meer zie is dat men veel meer aan de inkoopkant gaan zitten, als je het hebt over corporaties, beleggers, dat ze zeggen dit is de zak met geld, dit is wat ik wil, gaat dat lukken ja of nee? Want dan is het risico voor hen volledig afgegrensd en ze weten wat ze krijgen en iemand anders mag dan het risico van de ontwikkeling doen, weer een ander van de inkoop, zeg maar de aanneming doen. Dat is wel een beweging die ik zie. Aan de andere kant zie ik wel dat de crisis best wel wat heeft gedaan in ontwikkelland, een aantal aannemers zijn verdwenen, waar je weer tegenover ziet dat er wat kleinere ontwikkelaars zijn ontstaan in twee- of driemanszaken die dan weer met korte lijnen heel snel en slagvaardig kunnen opereren, die partijen aan zich proberen te binden om daarmee winst maken. Dat is de andere beweging die je ziet. Maar ik zie niet dat energiebedrijven ineens in vastgoed gaan of iets dergelijks. Ik zie juist meer dat partijen die dat vroeger juist wel deden, dus sinds de jaren 90 juist zijn gaan ontwikkelen, daar wel afscheid van aan het nemen zijn en doen waar ze goed in zijn, dus investeren, beheren en exploiteren en niet meer zelf risico nemen op het gebied van onroerend goed.
- **Is er nog een onderwerp waar we het nog niet over hebben gehad, waarvan u denkt dat is wel belangrijk geweest voor het ontwikkelen?**
- Wat je natuurlijk kunt afvragen is, met een consument die steeds beter weet wat hij wil en ook alles steeds meer digitaal gaat worden en goed kan shoppen overal, wat de toegevoegde waarde gaat worden van de ontwikkelaar langs de lijn. Bestaat de ontwikkelaar over 10 jaar nog wel? Krijgt de klant met al wat op internet verkrijgbaar is niet alles wat hij wil, dat voegt hij samen en dan heb je alleen nog maar een aannemer nodig, die het gaat bouwen? Dat is een vraag die wij onszelf continue stellen. Zijn wij over 10 jaar een app-bouwer of zijn wij over 10 jaar alleen nog maar faciliterend om dingen te doen vanuit de klant. De vraag is of het er nog is en of er nog geld in te verdienen is. Dat is een ontwikkeling die ik graag de komende 10 jaar nauw wil volgen om te zien waar het naartoe gaat. Juist omdat deze generatie bezit minder belangrijk wordt, maar gebruik en diensten belangrijk zijn. Een punt wat ik dus nog zou aanstippen, is dus toegevoegde waarde. En dat is iets waar we continue mee bezig zijn.

## APPENDIX I INTERVIEW AMVEST

This appendix is a transcript of the interview held with Wienke Bodewes, CEO at Amvest , held on 02/09/2015.

- **Wat denkt u dat er echt concreet is veranderd in de afgelopen jaren in ontwikkelland?**
- Je moet een onderscheid maken tussen het vak en de strategische mogelijkheden. Het vak op zichzelf is niet zoveel veranderd . Je hebt dezelfde skills nodig als voor 2008 om tot een goed project te komen. Als je op dat onderdeel kijkt zie je dat met name wel een behoorlijke periode stilstand is geweest en dat bedrijven kleiner zijn geworden, wel vaak hebben geprobeerd goede en sterke mensen vast te houden. Dat is veel bedrijven ook wel gelukt, vaak zijn ze kleiner maar wel sterker uit de crisis gekomen, maar niet allemaal. Er zijn ook veel bedrijven verdwenen en dat betekent dat je dus een heel ander speelveld krijgt. Dus de skills zijn hetzelfde, dat is meer geïntensiveerd en heel veel bedrijven hebben minder aan de ontwikkeling van de mensen kunnen doen in die periode. Geen dure cursussen meer. In principe zijn dezelfde skills noodzakelijk. Als het gaat om de klantbenadering dan is het eigenlijk zo dat je kan zeggen dat de klant altijd centraal staat. Het is natuurlijk onzin om te denken dat je dat alleen in crisistijd nodig had. Er is wel een verschil. Een deel van de ontwikkelaars heeft geprobeerd marketing anders te doen door veel meer individueel met de klant te ontwikkelen. En dat was ook bittere noodzaak. Dat is heel intensief, misschien niet altijd bedrijfseconomisch verantwoord, maar wel mogelijkheid om omzet te blijven draaien door heel dicht op de klant te zitten en die paar klanten die nog in de markt zitten te pampieren. Maar daarmee zijn de skills niet anders geworden. Een deel van de bedrijven die opgegroeid zijn in de periode dat ze geen specialistisch product leverden, maar voor de markt produceerden en dat vrij makkelijk afzetten, dat die lui waren qua marketing strategieën. En die hebben zwaar te lijden gehad en hebben de klant zeg maar opnieuw uitgevonden. Er is een behoorlijke stroom aan ontwikkelaars die dat altijd hoog in het vaandel hebben gehouden, alleen die dat explicieter zijn gaan doen in deze fase, omdat ze die paar klanten die nog in de markt waren, om die binnen te houden. In het speelveld is veel veranderd. Er zijn andere bedrijven in de markt. Corporaties deden financierden, gedeelten van gebiedontwikkeling. Die zijn uit het spel verdwenen. Die moeten hun locatie verkopen, zijn heel aarzelend geweest wat de koers zou worden, zij konden niet doorgaan vanwege regelgeving verandering. Daar zie je een verschuiving optreden. Corporaties willen terug naar kerntaken. De neiging om koopwoningen te ontwikkelen, die is enorm afgenomen. Naast dat ze het economisch moeilijk hebben gekregen is dat ook een ding. Het tweede als je daar naar kijkt hebben aannemers het enorm slecht gehad in deze crisisperiode en met name die georiënteerd waren op woningbouw. Je ziet dat een deel heeft gedaan de ontwikkelaar weer in huis heeft gehaald, dichter naar het bouwbedrijf heeft gehaald, tweede wat gebeurd is dat zie je op bepaalde punten, ... geïntegreerd in Heijmans, AM is geïntegreerd in BAM, veel strakkere manier dan daarvoor, zo is dat bij bedrijven dichter naar de kern toe gehaald, dat had te maken met kostenreductie en het vehikel nog nadrukkelijker inzetten om bouwproductie veilig te stellen. Continuïteit was belangrijker dan winst. Je moet overleven. Dat is sterk gebeurd. Dat is aan de bouwbedrijfkant. Daarnaast zijn de resources afgenomen. Ontwikkellende bouwers hebben gezien dat hun solvabiliteitspositie is afgenomen en dat het heel lastig is om geld te vinden om te investeren in die voorfase van het bouwen. Ze konden geen gronden meer kopen, geen panden meer kopen etc. Dat is allemaal niet generaal, sommige bedrijven hebben daar wel mee door kunnen gaan, zij het op kleinere schaal. Je ziet aan één kant de integratie met bouwen is toegenomen, tegelijkertijd minder middelen om te investeren. Dan heb je twee belangrijke groepen te pakken . De duurzame ontwikkelaar heeft dat soms

op afstand gekoppeld met financiële instellingen heeft ze het moeilijk gekregen. De crisis heeft het meer geïntensiveerd. Je ziet dat banken meer zijn teruggegaan naar de kernactiviteiten. Komt niet alleen door crisis, maar heeft er wel mee te maken. Je ziet dat subsessievelijk het aantal bedrijven dat actief kan investeren en actief kan zijn in de markt is gewoon kleiner geworden. Dat heeft gedeeltelijk te maken met de crisis, maar ook met spelregels van banken, met regelgeving op corporaties, in de crisis is dat versterkt, omdat je op die activiteiten die je nog deed sowieso moest zien te overleven.

- **Denkt u dat nu de crisis dat heeft versterkt, maar in principe veranderde regelgeving blijft, wat zal dat voor gevolgen kunnen hebben voor projectontwikkeling op de wat langere termijn?**
- Voor het aantal spelers die daarbij betrokken zijn zullen corporaties teruggaan naar kerntaken, verhuren van sociale huurwoningen, ze zullen daarbij waarschijnlijk wel actief blijven als het gaat om het produceren van die woningen, maar meer in passieve rol, er zullen een paar een modus willen vinden om actief te blijven in gebiedsontwikkeling, maar er is minder pro financierings activiteiten. Als afnemer van vastgoed is de belegger meer opgekomen, behoorlijke groei van het beleggingsvolume in woningen van pensioenfondsen, van family offices enz. Die groei is er. Maar die zijn maar voor een heel klein deel actief als ontwikkelaar. Dat zal ook niet ontstaan. Angelsaksische partijen, wat Duitse, die komen wel, maar de vraag is in welke mate ze succesvol zullen zijn. Er zullen dus wel wat spelers in het gat stappen, een aantal partijen zelfs zijn sterk aan het groeien weer, om ook de leegte te vullen die er is, waarvan wij een deel gaan opvangen. Een aantal bedrijven zien dit juist als mogelijkheid om te groeien, en die zullen ook weer een deel van wat er is weggevallen opvullen. Aannemers zullen zich niet zo snel herstellen nog van het gat wat er is gevallen, omdat het vaak gemengde bedrijven zijn, bijvoorbeeld ook met infrastructuur, die hebben dan vooral nu bij die infrastructuurkant heel veel last. En dat komt doordat in de crisis, infrauitgaven zijn naar voren gehaald, ook door de overheid, zodat de bouw niet zou instorten. Dat heeft tot gevolg dat daarna natuurlijk wel een gat ontstaat en er teveel capaciteit is, en dat zie je op dit moment heel erg.
- **Daarnaast is het natuurlijk ook zo dat door de crisis veel publieke partijen, zoals gemeenten etc, misschien wel een kleinere rol gaan innenmen in de ontwikkeling. Wat tot gevolg kan hebben daty private partijen een grotere rol moeten gaan spelen om verder te kunnen ontwikkelen. Is dat iets wat u ook herkent?**
- Ja, dat is zeker zo. Je ziet dat niet alleen de crisis heeft natuurlijk ook gevolgen gehad voor de gronduitgiftes van gemeentes, als reactie op de nieuwe werkelijkheid, je ziet ook dat nu pas ook verliezen worden genomen door grondbedrijven. Net nu je dat weer zou kunnen doen, nu dus, hebben ze dat allemaal weer afgeschaft en zijn ze nog aan het verteren wat voor schade het heeft opgelopen. En daardoor ben ik het met de analyse eens dat ze minder actief zullen zijn en dat investeren, risico's nemen in grond, minder is. Schaarste aan ontwikkelposities ook. Ik zie niet in dat particulieren in dat gat kunnen stappen. De andere nieuwkomers op de markt zullen dat wel proberen. Vroeger was het wel zo voor 2008 je ook nog wel grondposities gefinancierd krijgen, maar ook de financiering, de banken, zijn niet van plan om hun financieringsportefeuilles sterk te vergroten. En ze zijn zeker nietgeneigd om veel risico's te nemen.
- **Is het dan een heen en weer geschuif tussen verschillende partijen?**
- Nee, er is een herwaardering gekomen voor vastgoed, in de positieve zin. Er is geld beschikbaar, omdat er alternatieven worden gezocht, zoals vastgoed. Het eindproduct daar is wel vraag naar, en onze pensioenfondsen in Nederland zijn daardoor ook weer meer gaan doen in onze woningmarkt, maar voor veel investeerders past niet het grote risico bij wat in gebiedsontwikkeling zit. Marges in NL zijn klein, maar ze ebschouwen het als zeer risicovol, dus het past niet in hun ionvesteringsstrategie. Het is niet zo dat als

je geen woning kunt kopen, dat je dán maar grond gaat kopen. Dat si echt een ander deel van het pensioenfonds. En ze zijn heel huiverig voor om daar op grote schaal in te stappen.

- **Maar er ontstaat dus wel de druk om meer woningen te gaan produceren, omdat er in principe wel vraag naar is. Dat gaat nu moeizaam omdat de financiering lastig is geworden?**
- Ja, anders zou de markt zich nog sneller ontwikkelen, als in aantallen. Want alles wat nog een beetje is blijven hangen in de crisis, is natuurlijk in de markt geperst. Maar daardoor is alles wat nog op de voorraad stond, is uitontwikkeld en uitverkocht. Dus de truc is om weer snel aan locatie toe te komen, er beweegt veel in de markt, maar eer dat weer komt tot productie, dat duurt even.
- **U verwacht wel dat het weer naar vergelijkbaar productieniveau gaat van voor de crisis?**
- Eigenlijk loopt de woningmarkt altijd iets achter op de behoefte, maar we hebben nog een miljoen nieuwe woningen nodig in NL, binnen 20/15 jaar moet dat gebeuren.
- **Dat is wel aan het verschuiven naar binnenstedelijk en naar kleinere soorten woningen?**
- Ja, maar dat is gedeeltelijk ook romantiek. Binnenstedelijk is prachtig, dat zijn golfbewegingen, maar als je heel goed kijkt, dan zie je dat dat een bepaald deel van de NLse bevolking is die dat doet. Om allerlei redenen, zoals studenten, wetenschappers, mensen in een bepaalde levensfase. Maar ook mensen die ook in sociale huurwoningen, die in de onderkant van de markt actief zijn, dat stroomt toe. Niet alleen de rijke jup, zal ik maar zeggen. Iedereen kijkt naar dat penthouse, maar dat is maar een deel van de markt. Die druk is er wel, daardoor gaan de prijzen ook omhoog, maar dat zou kunnen leiden tot meer binnenstedelijke productie. Alleen het is ons vak, dat doen wij ook. Wij bijvoorbeeld weten dat we dat doen, maar weten ook hoe moeilijk dat is, ook voor ons. Het verwerven, de politiek, zorgen dat je bestemmingsplan voor elkaar krijgt, de ruimteordening, dat maakt het lastig. Het is heel complex. Het is moeilijk en kost sowieso daardoor tijd. Dus de gebieden die daarvoor geschikt zijn, kun je allemaal bij elkaar optellen, maar de praktijk leert dat de helft weer afvalt omdat het niet kan om wat voor reden dan ook, wat je wel in de markt hebt zitten, dat vraagt een hoge investering en duurt heel lang. Dus je moet niet alles binnenstedelijk verwachten. Want als je alles bij elkaar optelt, komt je nooit aan een miljoen woningen. Dus je hebt ook weer opnieuw ontwikkeling buiten de stad nodig. Om twee redenen: een deel van de consumenten wil dat gewoon, die wil tegen een redelijke prijs in een eengezinswoning of een wat landelijk gelegen appartement. En een deel wil binnenstedelijk en wil het leven, zal ik maar zeggen. Beide vragen zijn er en als je naar het totale volume kijkt van de vraag en het volume van het aanbod kan het nooit allemaal in de stad. Dus je moet ook weer slim buitenstedelijk ontwikkelen. En dat gaat weer gebeuren. Maar die discussie is nu weer op gang aan het komen.
- **Met buitenstedelijk bedoelt u daarmee Randstedelijk, dus net buiten de stad? Of bedoelt u daarmee in Twente enzo?**
- Voorbeeld Langsingerland. Fantastisch voor mensen met kinderen, die daar kunnen opgroeien, vaak beide partners die werken, omdat je een fantastische verbinding hebt naar werkgebieden. Dat soort gebieden zijn heel erg gewild. Ook Almere gaat weer beginnen. Dat komt omdat prijzen in Amsterdam en Utrecht weer heel erg zullen stijgen. Voor grote groepen is het niet meer beschikbaar. Zullen in gebieden eromheen gaan wonen. Wij ontwikkelen zelf nu allemaal voorbeelden.
- **Dus het einde van venix is nog niet helemaal in zicht?**
- Nee. Het gaat weer los op dat soort plekken. Utrecht zal ook weer in buitengebieden gaan bouwen. Dat kan ook niet anders, omdat dat soort bestaande locaties ook op een gegeven moment vol zijn. Er moeten nieuwe locaties ontstaan om aan de vraag te voldoen. En dan zullen ook gemeentes er weer in stappen. Dat duurt nog even, maar heel langzaam zal de vlieger weer in beweging komen. Je hebt wel, als je kijkt, zijn er weer nieuwe spelers op de markt gekomen, dan heeft iedereen het over particulier

opdrachtgeverschap en dat soort dingen, als je over NL kijkt, is dat minder geworden. Mensen gaan altijd op klanten richten, niet op de werkelijkheid. Er zijn altijd in een normaal, goed jaar in NL waren er zeker 6 a 7000 kavelontwikkelaars, maar die liggen dan in Limburg, in Brabant, enzovoort, waar het een traditie is om dit te doen. Daar is het stukken mindergeworden in de crisis, 30% van over, er is wel een aanvullende kavelontwikkeling gekomen, op de kleinere locaties, de gemeente Amsterdam die kavel uitgeeft en dat soort dingen, als je dat allemaal bij elkaar optelt, is dat veel minder in volume per jaar, dan wat er weg is gegaan. Het is wel verschoven. Dus het is vooral romantiek en ook geen oplossing voor je gebiedsontwikkelingsproblematiek. Want dit zijn niet degenen die jouw gebiedsontwikkeling financieren. Dus er zal altijd een groep zijn die dit kan en wil doen, als de gemeente dat subsidieert, en dat doet ze, dan kan dit ook uit voor de particuliere klant, maar het zal nooit een vervanging zijn van de enorme woningbehoefte die wij hebben in NL van mensen die niet in staat zijn om dit te doen, dit niet kunnen financieren, omdat ze een huurwoning willen, dus je zult zien dat dat altijd een nichemarkt blijft. Je ziet ook dat dat kan omdat partijen zich heel intensief met de klant zijn gaan bemoeien. Maar zo gauw het weer makkelijker is om reguliere productie te maken met ook vaak hele dik tevreden klanten, dan is de neiging om die financiering over de klant te laten lopen weer kleiner.

- **Een ander onderwerp is duurzaamheid. Ik lees van jullie website af dat jullie daar een hele brede visie op hebben en dat jullie dat ook zelf naar voren willen dragen en verlangen van andere partijen. Nou heb ik van sommige ontwikkelaars begrepen dat dat wel meevalt in de praktijk en dat ze meer volgend zijn in de zin dat als er om wordt gevraagd, dan ontwikkelen ze. Hoe is dat bij Amvest?**
- Brede ontwikkelaars dat ken ik heel erg, als je daarnaar kijkt, is er soms een aantal koplopers binnen bedrijven die willen verder gaan dan regelgeving. Maar eigenlijk is de regelgeving al extreem aan het gaan naar eigenlijk een 0-energieregeling. Onze grote zorg is dat je niet meer alleen in de schil vastzit, wat je vast kunt houden, maar steeds meer regeltechniek, dat is in de praktijk heel kwetsbaar gebleken. Wij hebben ook bij Amvest als standpunt wij doen het wel, duurzaam betekent bij ons ook dat het maatschappelijk gezien op een goede manier neergezet wordt, dat we goed luisteren naar onze woonconsumenten, daarbij komt dat je aan besparing doet van energie en dergelijke en dat doen wij op grote schaal, maar wel altijd proberen wij dan technieken te vinden waarvan wij zeker weten dat er later geen sores van komt. Je moet ook wel zoeken dus naar 'proven technology' en experimenteren op kleine schaal. Maar dat is eigenlijk ons standpunt en daardoor heel duurzaam een maatschappelijk verantwoord bezig. De hypbedrijven, die dit gebruiken als marketingtool en daarmee ongelofelijk grote risico's nemen en niet alleen voor zichzelf, maar ook voor degene die uiteindelijk de eigenaar of huurder wordt, daar heb ik niet zoveel mee. Dat is te gemakkelijk. Je moet ook weten dat als er iets mis gaat, dat je de installatie dan kunt vervangen. Dus je moet wel verantwoord opereren. Maar wij zijn er wel voor om dat heel goed en breed te doen.
- **Hoe bewerkstelligen jullie dat? Nauwere samenwerking met de aannemer of is dat nieuwe partijen betrekken, die expertise hebben?**
- Als ontwikkelaar zijnde doen wij dat op verschillende manieren. Dat speelt dan een rol bij gebiedsontwikkeling, er zijn niet zoveel gebiedsontwikkelaars, maar speelt een rol als in hoe stel je een wijk op, wat is het programma wat je neerzet, hoe ga je om met stadsverwarming versus warmteproductie, dat soort dingen, die in grote lijnen al bepalen hoe je gebiedsontwikkeling in elkaar zit en weleer duurzame elementen daarin zitten, schoonmaken van grond en op welke manier, we kijken vaak alleen maar naar de CO<sub>2</sub>uitstoot, maar het is natuurlijk veel breder: of het binnenklimaat in de woning goed is, geluid, koeling, heeft allemaal te maken met goede woon en leefomgeving. Daar letten wij ook allemaal op in dat stadium. En als we naar de producten op zichzelf kijken, de woningen, dan proberen wij goed bij te houden welke nieuwe technology genoeg proven is om te kunnen toepassen, die passen wij ook toe, dat

doen wij bijvoorbeeld door in ons programma van WKO, onze eisen van de woning die we in belegging nemen, dat is heel strak, en dat verandert dan steeds. Op die manier krijgen we in onze portefeuille woningen die wij willen hebben, die dat duurzame karakter hebben, en dat zal een aannemer gewoon moeten bouwen en een architect zal dat gewoon moeten tekenen, daar komt het eigenlijk dan op neer.

- **En de motivatie voor duurzame maatregelen, naast dat het consistent bijdraagt aan maatschappelijke doelen, is het dat die financiële meerwaarde in principe leidend zijn voor waar duurzaam naar wordt gekeken?**
- Nee, het is zo omdat wij lang in wijken blijven, wij hebben die woningen daarna nog, is het wel heel belangrijk dat ze populair blijven, dat mensen zewillen blijven hebben. Wat ook belangrijk is dat de energielasten, die spelen wel een rol in de keuze die de consument maakt, dat die laag zijn, voor de koper is dat eenmalig, maar voor een huurder kan wel veranderen en ver huizen. Voor ons is het dus ook wel van belang dat de energielasten voor de huurder laag zijn. Dus dat werkt allemaal op elkaar in. Daarnaast hebben wij ook wel het streven dat wat wij neerzetten, met name in gebiedsontwikkeling, dat je daar trots op kunt zijn. Het is ook wel je beroepsmatige uitdaging om iets goeds te maken natuurlijk. Je ziet vaak dat die dingen een mix van factoren zijn die je in een bepaalde richting drijven. We moeten een beetje aan window dressing doen, omdat het moet wel voldoen aan de kwaliteitsstandaard die wordt gevraagd door de beleggers, dat is logisch, dat is de financiële realiteit, maar we letten er ook op dat dat er niet toe leidt dat we rare producten maken die een vinkje halen. Het moet ook daadwerkelijk een goed product zijn. Je moet naar het resultaat kijken, niet omdat bepaalde regelgeving jou in een bepaalde richting duwt. Je ziet elke keer een andere issue dat heel belangrijk is, nu is dat CO2, maar ik probeer wel om ook die andere dingen, zoals zure regen, geluid, fijn stof en dergelijke, te betrekken, om een afgewogen pakket te maken.
- **Laatste vraag. Binnen ontwikkelaars is de helft van het personeel verdwenen, dat terwijl bij sommigen de productie wel weer opgaat naar het niveau voor de crisis, terwijl er nog steeds wel minder mensen werkzaam zijn bij ontwikkelaars, is dat omdat iedereen meer op zn eigen specialisme is gaan zitten?**
- In tijden dat het goed gaat, dan worden ze ook groter, meer personeel, enzovoort. In tijden van een langdurige hoogconjunctuur is er niet per se sprake van zeer efficiënte bedrijven, zal ik maar zeggen. Dus er zit altijd wat ruis in. Wat je nu ziet is dat bedrijven vanuit de kern, die ze hebben gehandhaafd, aan het opbouwen zijn, alleen ze hebben ook nog wel in hun geheugen zitten dat ze mensen hebben moeten ontslaan, dus je ziet dat ze weer mondjesmaat gaan opbouwen, dat loopt er altijd ietsje achteraan. Bedrijven die actief blijven in de markt zijn mensen aan het aannemen. Wij zijn ook weer gegroeid zowel op beleggers als op ontwikkelgebied. Maar ook als het weer te lang goed gaat, krijgen bedrijven ook weer té veel mensen, té grote kantoren, dat gaat ook weer gebeuren. Dat is een wetmatigheid.
- **U bent niet met Amvest actief in kantorenmarkt, maar je ziet dat er heel lang heel veel productie is geweest en de vraag aan het afvlakken is, door nieuwe manier van werken en dergelijke, nu wordt een deel getransformeerd tot woningen bijvoorbeeld, maar dat zal niet de hele voorraad zijn.**
- Nee, klopt, dat is maar 10%. Een heel groot deel moet je gewoon slopen. Slopen en nieuwbouw is ongeveer even duur. Dat maakt niet zoveel uit. Soms heeft het ermee te maken omdat je veel verliezen hebt omdat de vorm van het gebouw, de bouwstructuur niet altijd ideaal is voor het nieuwe, als dat wel zo is, dan is het net iets goedkoper, iets aantrekkelijker om te doen, maar dan moet het gebouw een uitstraling hebben, dat het iets extra's betekent, maar als jij hier aan de slag gaat, hier zijn heel veel gebouwen, die je wel tot woning kunt transformeren, maar dan heb je een hele slechte bruto/netto, dus heel onaantrekkelijk voor de klant, er zijn zoveel nadelen, dat je beter kunt zeggen, ik sloop een heel stuk. Sloop is geen vies woord. Zelfs niet uit duurzaamheidsoogpunt. Uit mijn eigen analyse van aantal jaren terug kwam naar voren dat renoveren en restaureren heel gunstig was. Uit het oogpunt van verspilling van

materiaal en energie. Dat is allang niet meer zo. Toendertijd werd misschien 20% van de bouw gerecycled. Omdat er nog geen technieken waren om dat te doen. Nu is dat zo sophisticated geworden, dat 95% van de bouw gerecycled wordt. Dan moet je alleen nog kijken wat zijn de energiekosten ten opzichte van, dus je moet weer opnieuw naar die ketens kijken en dan zul je zien dat het vaak voordeliger is om te slopen. Alleen NL heeft gedeeltelijk de neiging, ook wetenschappers, niet om te onderzoeken, maar om een mening te hebben. Het is helemaal verkeerd als je dat romantisch benaderd. Onzin, daar moet je aan rekenen, je moet analyses maken.

